

INDONESIA AFTER SUHARTO

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New President Pledges Reform and Democracy

But There Are 2 Visions of How to Change

And Habibie Is Faulted as Part of Old Order

By Nicholas D. Kristof
New York Times Service

JAKARTA — Two images in the Indonesian kaleidoscope capture the tug-of-war whose outcome will define this country for years or decades to come.

Pulling at one end of the rope, so to speak, was an angry protest leader shouting into the microphone at an outside rally Thursday, demanding that the new president, B. J. Habibie, be ousted and that former President Suharto be executed.

To show his seriousness, the protester then shaved his head with electric clippers and announced to thunderous ap-

plause: "I will keep my head shaved until Suharto is hanged!"

The other image comes from the other end of the rope: General Wiranto, the armed forces commander, all starch and backbone and crisp authority, stepping to a microphone on Thursday morning and declaring that the armed forces endorse the presidency of Mr. Habibie and will protect Mr. Suharto and his family.

Mr. Suharto's resignation Thursday morning was a landmark in modern Asian history, perhaps marking the end of the era of strongman rule that prevailed in the region during the Cold War, but it left Indonesia itself a battle-

field for competing visions of the future.

Fundamentally, one side wants to change the entire system, while the other prefers to keep the system but substitute a new face — Mr. Habibie — in the presidential portraits that seem to hang on every wall.

This struggle, over whether to preserve Mr. Suharto's system even after jettisoning Mr. Suharto himself, will affect not only Indonesia but also the many other countries in the region.

The university students see Mr. Suharto's downfall as a historic opportunity to institute a much more

By Seth Mydans
New York Times Service

JAKARTA — Indonesia's new president, B. J. Habibie, spoke to the nation for the first time on Thursday evening, outlining a program of reform, clean government and economic responsibility that addressed key criticisms leveled against his predecessor, Suharto, who resigned under pressure earlier in the day.

Sitting behind a large nameplate reading "President," Mr. Habibie said he had been "enormously impressed" by the accelerating popular movement for reform and by the struggle of student protesters, the vanguard of the oppo-

sition movement that brought down Mr. Suharto after 32 years in power.

Mr. Habibie, 61, who had been Mr. Suharto's vice president and loyal retainer, pledged to dedicate himself to reforms and democratization "in order to create a political atmosphere and clean governance free from corruption, collusion and nepotism and to create an economic life of more equitable opportunity."

Government officials said Mr. Habibie was due to announce his cabinet lineup on Friday morning in the most crucial indicator of whether his government will break with the cynicism that made Mr. Suharto's governments so unpopular.

But many of the protesters who had demanded Mr. Suharto's resignation remained unsatisfied, calling Mr. Habibie a part of the old order who also had to go. There were calls for a special electoral assembly to nominate a new president. Some of the students who have occupied the Parliament building for four days, demanding Mr. Suharto's resignation, said they would not leave until Mr. Habibie, too, was removed.

Many political analysts voiced doubts that Mr. Habibie had either the background or the political clout to lead this huge and fractious country through its time of turmoil and predicted that he

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Ulster's Day to Decide 'Yes' or 'No' to Peace

Huge Turnouts Expected for Referendum

By T. R. Reid
Washington Post Service

BELFAST — After decades of bombs, bullets and bitterness, the future of Northern Ireland will be put to the ballot Friday as voters decide whether they can accept an ambitious plan designed to rewrite history and end the sectarian civil war.

Huge turnouts were predicted in both the north and south as the people get their say on the proposed plan that would retain the current division of the island but establish political mechanisms that could eventually lead to a single nation of Ireland, with no British involvement.

The prime ministers of Britain and Ireland campaigned vigorously in the final hours for a "yes" vote, with a strong support from President Bill Clinton, who backed the proposal both in television interviews and open letters to the Irish people.

"This is the best chance in a lifetime for peace in Ireland," Prime Minister Tony Blair of Britain argued passionately Thursday.

But opponents contend that the plan would lead to more violence and would undermine the status of the two-British-Protestant majority in Northern Ireland.

"This so-called peace proposal would mean the end of the union with Great Britain and leave us at the

mercy of terrorists," said Charles Mercer, a retired vicar who raises a British flag each morning atop his home in Bangor.

The island is divided between the Republic of Ireland, an independent nation of 3.3 million, and Northern Ireland, a British province with a population of 1.6 million.

Adams gives 'yes' campaign an image problem. Page 6.

A significant, largely Roman Catholic, minority in the North wants the province to break with Britain and form one nation with the Republic. Protestant northerners want to retain political union with Britain.

The debate here has been primarily political, not religious. Still, sectarian differences fueled mutual hatred that sparked into civil war in 1969.

Friday marks the first time that the people have had a chance to make a choice at the ballot box. To become law, the plan needs majority approval from voters in both jurisdictions.

They will vote either "yes" or "no" on a 68-page plan that was settled on Good Friday, after two years of negotiations among eight Northern Ireland political parties and the governments of Ireland and Britain.

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Pushing for a "yes" vote in the peace referendum, John Hume arrived in a thumbs-up mood for a meeting with Tony Blair. Just as fervent was Bob McCartney while he campaigned Thursday in the streets of Northern Ireland for a "no" vote.



Chris Patten/Agence France-Press



Brian Little/The Associated Press



President Suharto saluting Thursday after he announced his resignation. At left is his eldest daughter, Tutut.

The Repercussions of Events in Jakarta

The resignation of President Suharto is the latest and most vivid sign of how the Asian financial crisis is changing the political landscape throughout the region. Page 4.

Habibie, who has a reputation as a brilliant eccentric, has spent his career in the shadow of Mr. Suharto's patronage. Page 2.

The Timorese Nobel Peace Prize laureate, Jose Ramos Horta, predicted that anti-government protests would continue and that the new president, Mr. Habibie, would last only a few days in office. Page 2.

Mr. Suharto led his country from being a backwater to the brink of prosperity. But his legacy is also one of corruption. • His successor, B. J.

The unrest in Jakarta has put the International Monetary Fund's rescue plan on hold. Page 2. • Asian stock and currency markets first struggled with and then welcomed the

news of President Suharto's resignation. But analysts said the gains could easily vanish. Page 4.

AGENDA

Student, 15, Goes on Shooting Spree in Oregon

SPRINGFIELD, Oregon (AP) — A day after being expelled for having a gun, a 15-year-old student returned to school with a semiautomatic rifle and opened fire in the cafeteria Thursday, killing at least one person and wound-

ing 24 others. The police later found two adults dead at the home of the suspect, who was not identified.

Witnesses saw the suspect run through the cafeteria firing his rifle. He was tackled by a student and arrested.

Saudi Nationals Were Dhahran Bombers

KUWAIT (AFP) — Saudi Arabia's interior minister, Prince Nayef ibn Abdel Aziz, acknowledged for the first time Thursday that Saudi nationals

were behind the June 1996 bombing of a U.S. military base in the eastern city of Dhahran. He said the blast had been "carried out by Saudi hands."

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A Rebuke for Clinton's China Policy

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In Bulgaria, Students Bone Up on Pax Americana

By Joseph Fitchett
International Herald Tribune

BLAGOEVGRAD, Bulgaria — They waited through the valedictorian's oration, through the honorary degree for a minor poet, through an address by a distinguished foreign ambassador, until finally the moment came when the provost pronounced them "Bachelors of Arts." Tasseled mortarboards were tossed into the air, only to be carefully retrieved for family photographs.

A graduation ceremony like so many others this month, this one came with a difference. The college is a U.S. implant in Bulgaria, the campus a seven-story steel-and-marble building.

Once the regional headquarters of the Bulgarian Communist Party, the building has become, as its concrete parapet proclaims in three-foot-high gilt letters in Cyrillic and in English, the "American University in Bulgaria."

AUBG — as the 600 students and 50 faculty call the school to differentiate it from AUB, the American University of Beirut — is a case study of how rewarding and how difficult it is to create a Western-style institution in Central Europe, where so many

dreams of post-Communist development have fizzled amid red tape, corruption and cultural rejection.

As it celebrates its fourth graduating class, AUBG is fast picking up recognition and accolades. "It is extraordinary how fast this university has caught on as an institution," said Avis Boblen, the U.S. ambassador to Bulgaria.

Savina Velkova, a Sofia native who graduated in 1996 and stayed on as director of cultural events, puts it simply. At AUBG, she said, "You get more than a degree; you get a life."

The university has had relatively mild teething pains. Local suspicions that Americans were starting a spy school had to be dispelled. Complaints have arisen from faculty members occasionally, apparently motivated by personal grievances.

Future funding is always a question. A current headache is the threatened tax on U.S. aid in Bulgaria, an outgrowth of a wider commercial dispute between Washington and Sofia. In the longer run, some U.S.-based academics worry about the long-term prospects of maintaining genuine standards at an American university operating in a politically volatile region.

But by one important measure, AUBG has arrived: Bulgarian and other European executives are com-

peting to hire its graduates, who are seen as attractive because of the belief that their American-style education has equipped them well to operate in societies struggling to emerge from communism.

Out of a graduating class of nearly 200 in 1996, nearly half have jobs with employers ranging from the Bulgarian Investment Bank to the Big Five accounting firms to advertising agencies. Another 50 are doing graduate work, most of them at big public universities in the United States such as the University of Oklahoma. Entrepreneurial graduates in Sofia have sold an innovative database to Swiss dentists.

This record encourages AUBG's directors in their belief that they can create a new Westernized elite in the Balkans. In fact, by many standards, the student body is elite.

AUBG operates completely in English, part of its ambition to replicate a U.S. educational environment. One student in five comes from outside Bulgaria. Candidates need not bother applying unless their combined score on the Scholastic Aptitude Test, the standard U.S. university admission test, is near 1,200 out of a possible 1,400. That is at the high end of results

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Newsstand Prices	
Andorra.....	10.00 FF Lebanon.....
Antilles.....	12.50 FF Morocco.....
Aruba.....	1.600 CFA Qatar.....
Cameroun.....	2E 5.50 Reunion.....
Egypt.....	10.00 FF Saudi Arabia.....
France.....	2.800 CFA Senegal.....
Gabon.....	1.100 CFA Spain.....
Italy.....	1.250 JD U.A.E.....
Jordan.....	1.250 JD U.A.E.....
Kuwait.....	700 Fils U.S. Mil. (Eur).....

The Dollar	
New York Thursday 4 P.M. previous close	
DM	1.7585 1.7703
Pound	1.6306 1.6333
Yen	134.95 138.01
FF	5.8925 5.9265
The Dow	
Thursday close previous close	
-39.11	9132.37 9171.48
S&P 500	
change Thursday 4 P.M. previous close	
-4.42	1114.54 1119.06



Suharto's Legacy: Progress and Graft

He Led Nation to Brink of Prosperity

By William Branigin
Washington Post Service

WASHINGTON — As Indonesia's strongman for the past 32 years, President Suharto marched his sprawling country from widespread poverty to the brink of relative prosperity. The years of steady economic growth seemed to justify the title the former army general bestowed on himself in the 1980s: the "Father of Development."

But the undeniable progress and the transformation of his capital from a Dutch colonial backwater into a bustling metropolis sudded with gleaming high-rises left open the question of what more could have been achieved without the rampant corruption, monopolies, nepotism and crony capitalism that also marked his rule.

It was those failings that helped push Indonesia to the brink of economic collapse amid an Asian economic crisis and undermined Mr. Suharto's authority, ul-

What could have been achieved without the rampant corruption, monopolies, nepotism and crony capitalism that marked his rule?

imately forcing him to resign as president in the face of widespread protests, civil unrest and rioting.

And it was another shortcoming — the failure to groom a viable successor — that still leaves him vulnerable as he turns over power to his hand-picked vice president, B.J. Habibie, a somewhat divisive figure who may be too close to Mr. Suharto to assuage the protesters for long.

For Mr. Suharto, who turns 77 next month, the end of a long political run comes barely two months after he began a seventh five-year term. He had hinted years ago that his previous term might be his last but, like many strongmen before him, he proved unwilling to walk away from power until forced to do so by events beyond his control.

Born in June 1921 to a poor farming family near the ancient town of Yogyakarta about 450 kilometers southeast of Jakarta, Mr. Suharto acquired little formal education but used an innate shrewdness and an ability to play rivals off one another to begin his rise to political power.

When Japan invaded and defeated Indonesia's Dutch rulers in World War II, Mr. Suharto seized the opportunity to strike a blow against colonialism. He became a battalion commander in the Japan "self-defense corps."

He used that foothold to become a career army officer after Indonesia gained independence, but seemed destined for obscurity in the middle ranks of the armed forces. It was during that time that Mr. Suharto formed working relationships with ethnic Chinese businessmen — ties that led to fabulous wealth for Mr. Suharto and his coteries.

Behind his placid countenance beat a driving ambition, however, and he managed to rise through the army ranks to head the Strategic Reserve Command in Jakarta, a key unit that held the keys to the capital. A staunch anti-Communist, he used that command to crush a 1965 coup attempt attributed to Indonesia's pro-Chinese Communist Party.

The abortive coup, much of which remains shrouded in mystery to this day, prompted a military backlash against the 3 million-member party and resulted in the deaths of up to 1 million people, as soldiers and civilians vented their wrath against Indonesia's ethnic Chinese minority and settled personal scores.

Once the coup was crushed, Mr. Suharto assumed effective power from the father of Indonesian independence,

the charismatic President Sukarno, in March 1966. He gradually eased Mr. Sukarno out, and formally succeeded him as president the following year.

Firmly entrenched in power, Mr. Suharto then launched his "New Order" program aimed at developing the country and putting Mr. Sukarno's anti-Western posture behind him. The outwardly pleasant and modest army veteran, known as Indonesia's "smiling general," inherited a country ravaged by poverty and dependence.

Well into the 1970s, more than 60 percent of the population lived in poverty, per-capita income hovered around \$70 a year and the country had the dubious distinction of being the world's largest rice importer.

Then came the oil boom. Indonesia, an oil producer and member of the Organization of Petroleum Exporting Countries, began to reap windfall profits with the steep rise in oil prices. Money flowed into Mr. Suharto's development programs, but also into the pockets of his family and friends.

His administration managed to reduce the poverty rate to 15 percent by 1993 and nearly halved that to 8 percent before the latest economic crisis. Per-capita income rose to more than \$600 a year and, adjusted to purchasing power, stood at more than \$3,000 annually before the crisis hit. Indonesia attained self-sufficiency in rice, its staple food, in 1984, a major goal for the son of Javanese farmers.

By the mid '90s, economic growth had averaged more than 6 percent annually for well over two decades, and billions of dollars in foreign investment was pouring in. Mr. Suharto was able to diversify the oil-based economy somewhat, and illiteracy, population growth and infant mortality all declined during his tenure, Mr. Suharto boasted.

At the same time, however, ostensibly charitable "foundations" established in Mr. Suharto's name — and exempt from audits and taxes — were



B.J. Habibie being sworn in as the Indonesian president on Thursday in Jakarta, while a pensive former president, Suharto, closed his eyes.

raking in fortunes estimated at up to \$3 billion by the early '90s. In addition, the regime allowed his six children to build a family financial empire worth billions more, largely through monopolies, sweetheart deals and control over an estimated 260 separate companies.

Along the way, the nation of 200 million people and more than 13,000 islands accumulated an increasingly heavy foreign debt, a bloated bureaucracy of 4 million people and widespread underemployment estimated recently at more than 40 percent. Revenue from Indonesia's 1.5 million-barrel-a-

day oil production continued to fuel development, but endemic corruption made it a high-cost economy.

Among the major targets of the latest turmoil have been businesses owned by Mr. Suharto's children, who used their influence to penetrate practically every sector of the economy.

While enriching his family and friends, Mr. Suharto also managed to hold together politically a diverse archipelago spread across 5,000 kilometers. He often did this through brute force, crushing those who dared to assert autonomous demands and threaten the integrity of the nation.

Habibie Flourished In Shade of Patronage

A Reputation as a Brilliant Eccentric

By Seth Mydans
New York Times Service

JAKARTA — One of President Suharto's last worries before deciding to step down as president was that his longtime friend and hand-picked vice president, B.J. Habibie, would not be up to the job he inherited, an associate of Mr. Habibie's said Thursday.

They had a long meeting, and Habibie assured him he could handle it," said the associate.

Not everyone shares his confidence. Mr. Habibie, 61, former aeronautical engineer, is one of Mr. Suharto's longest-serving cabinet members, but he has spent most of his public career as minister of research and technology, taking little part in affairs of state.

He has a reputation as a brilliant eccentric, a man of grandiose ideas and expensive, often ill-conceived projects, fascinated by high technology in a nation of agriculture and primary industries.

He has never built a strong political base, secure in the patronage of the one man who counted, Mr. Suharto, who virtually adopted him as a boy of 13 and has enjoyed his company ever since.

Free to indulge his enthusiasms, he has made more enemies than friends. He has alienated many officers in the politically influential military by imposing expensive and unwanted procurement schemes. He is an odd man out among top Indonesian officials in that he has no military background. Both at home and abroad, Mr. Habibie is also mistrusted among economists and foreign investors for what they say are his unorthodox and sometimes wild-eyed theories.

Mr. Habibie does have some influence among the country's Muslim majority as the director of an influential nationalist Muslim institute.

In the manner of a man who never intended to give up power, Mr. Suharto has never allowed a potential successor

to emerge and has changed his vice presidents with each of his seven five-year terms. Mr. Habibie has held the post for only two months, since the last election in mid-March. On the day Mr. Suharto made it clear in January that Mr. Habibie would be his choice for the job — at the height of the country's economic difficulties and its negotiations with the International Monetary Fund over economic policy — the Indonesian currency, the rupiah, crashed by 36 percent, to its lowest level since the crisis began last summer.

He had recently been in the news when the IMF insisted, as one of its requirements for the country's receipt of a \$40 billion rescue package, that the government withdraw funding from an expensive and money-losing aircraft-building project that was his brainchild. His enthusiasm have also included shipbuilding.

Since assuming the vice presidential job, Mr. Habibie has acted as an emis-

As a part of the Suharto household from his teen years, Mr. Habibie liked to refer to his mentor as SGS, or Super Genius Suharto.

sary of the president to foreign capitals, though he did not succeed in his first mission, an attempt to win easier debt-repayment terms in Japan.

Bacharuddin Jusuf Habibie — who is commonly known by his initials but whose friends call him Rudy — was born on June 25, 1936, in South Sulawesi, the third of four children, and began reading the Koran as a child.

His father died when he was 13 and his family moved to Bandung, where Mr. Suharto was posted as a military commander, and Mr. Habibie became part of the Suharto household.

The two men have remained close, and Mr. Habibie likes to refer to his mentor as SGS, or Super Genius Suharto. Within the government he has earned some resentment for his ability to ignore the president's busy schedule and burst into his office at any time, government officials say. "He regards me as his own parent," Mr. Suharto wrote in his biography. "He always seeks out my advice on the principles of life."

Mr. Habibie graduated from a local technical institute and won a scholarship to study in Germany, where he earned a doctorate in aeronautical engineering. He stayed on to work at a German aircraft plant until Mr. Suharto called him home in 1974 to be his technical consultant. His influence has grown since he became technology minister in 1978, and he has put forward unusual economic ideas including what he calls a "zig-zag theory" in which he advocates sharp fluctuations in interest rates. He has blamed inflation on high interest rates.

He is a man of great energy, many ideas and many projects, most prominently the state-owned aircraft manufacturer, IPTN, which has been struggling to develop a locally built passenger jet at a cost of \$2 billion.

It was widely viewed as one of many ill-advised enterprises handed out by Mr. Suharto to his family and friends. Although state support was cut off in last week's agreement with the IMF, Mr. Suharto later said the project would continue with private funding, though it was unclear where the money would come from given the country's economic problems.

A small man, he is described by associates as always being on the move, like a hummingbird. He is sometimes called "the busiest man in Indonesia" because of his many projects.

Resignation Puts IMF Plan on Hold

By Paul Blustein
Washington Post Service

WASHINGTON — It may seem mind-boggling, with the Indonesian government in turmoil and many buildings in Jakarta now in ruins, to recall how recently the U.S. government and the International Monetary Fund were betting that Indonesia's economy was finally positioned to recover from its economic crisis.

Just two and a half weeks ago, the IMF approved a \$1 billion installment in the country's International rescue package, and officials from the Fund and the U.S. Treasury predicted that investor confidence would return as long as the Indonesian authorities continued to follow the IMF program of keeping interest rates high, closing ailing banks and eliminating monopolies.

Today, now that the unpopular President Suharto has resigned, Washington's strategy for stabilizing the Indonesian economy is a shambles, and resumption of the IMF-led \$43 billion bailout has become dependent on the establishment of a successor government that has popular support.

"It's clear we won't be able to move ahead until the political situation clarifies," said Stanley Fischer, the IMF's deputy managing director.

To a large extent, the administration of President Bill Clinton, which has considerable influence over the policies of the 182-nation IMF, adopted a position that many of its critics have been urging all along. Instead of doling out international aid strictly based on Indonesia's compliance with economic

targets, Washington acknowledged that Indonesia would have no chance of recovering without an end to the repressive rule of Mr. Suharto.

While U.S. officials maintain that they had good reasons for their approach, the costs of its failure loom large.

The riots and demonstrations that shook the country in recent days have sunk the economy to new depths, with banks virtually ceasing to function, business executives fleeing abroad and the national currency plunging to about half the target value set under the most

'We won't be able to move ahead until the political situation clarifies,' a top Fund official said.

recent IMF program. The devastating blow to confidence means that if and when political stability is restored, the IMF will have to draw up a recovery program based on a significantly worse economic outlook — possibly requiring far greater foreign contributions.

The U.S. officials overseeing the Indonesian rescue say they had been warning the Suharto government for months that major political change would be necessary to persuade a resentful populace to accept the painful measures needed to put the economy back on track.

"It was clear all along," U.S. Treasury Secretary Robert Rubin said in an interview Wednesday, that Mr.

Suharto's style of government "wouldn't last in the long run." The question, Mr. Rubin said, was "what was the right way to pursue the objective of political reform."

Washington refrained until last week from calling publicly for political change in Indonesia, in part because it feared that doing so would only destabilize Jakarta and risk deepening the financial crisis in neighboring countries.

Mr. Suharto might have reacted with a brutal crackdown to assert his authority. U.S. officials said, and it was far from clear that a successor could gain adequate control over the fractious population of 204 million.

Moreover, virtually the only leverage with which Washington could try to force democratization was a threat to cut off IMF funding. U.S. policymakers are extremely loath to use the IMF as a political bludgeon. They point out that interfering in a member nation's internal politics would violate the IMF charter and could severely undermine the Fund's ability to induce member countries to revise their economic policies.

Although some of the recent rioting in the country was triggered by cuts in government fuel and food subsidies required by the IMF bailout, the Fund would have accepted a more gradual reduction in the subsidies — and one that was less burdensome to the poorest sector of the population.

Moreover, the IMF program has commanded much more popular support in Indonesia than similar programs in other countries because the Fund insisted on dismantling cartels and special arrangements that primarily benefited

Expect More Strife, Nobel Winner Says

Readers

LISBON — The Timorese Nobel peace laureate Jose Ramos Horta predicted Thursday that anti-government protests would continue in Indonesia and that the new president, B.J. Habibie, would only last a few days in office.

"Protests will return to the streets," Mr. Ramos-Horta said on Portuguese radio.

"I said a few hours ago, when the news broke, that the people would now be euphoric, their victory over Suharto would be sinking in, but later they will reflect and adopt a strategy for the overthrow of Habibie," he said.

Earlier, Mr. Ramos-Horta said that Mr. Habibie, appointed after President Suharto's resignation, had no credibility. "He contributed to the bankruptcy of the economy," Mr. Ramos-Horta said. "He is not the man to be trusted to carry out the reforms needed in Indonesia. Habibie is the worst possible choice."

Mr. Ramos-Horta said Indonesia must appoint a national unity government including representatives from the army and civil society to prepare the way for free elections.

relatives and cronies of Mr. Suharto. "In Indonesia, the program is not seen as supporting an unpopular government but promoting the process of reform," said Hubert Neiss, head of the IMF's Asia-Pacific division.

TRAVEL UPDATE

Friday Expected to Be Busiest Day In History of American Aviation

WASHINGTON (AP) — The airline industry expects Friday to be the busiest day in U.S. aviation history.

More than 2 million people are expected to take off for the start of the Memorial Day holiday, and more than 12.5 million people are expected to fly over the seven-day period ending Tuesday, the Air Transport Association said.

The group, which represents the largest U.S. air carriers, predicted that load factors — the proportion of seats that are filled on an airliner — could be as high as 83 percent systemwide. Recently, load factors have been averaging about 70 percent.

The nation's largest carrier, United Airlines, has 320,000 passengers booked to fly Friday. The airline's single-day record record is 284,077 passengers, set on Aug. 29, 1977.

Belgrade-Sarajevo Air Service

SARAJEVO, Bosnia-Herzegovina (AFP) — The Bosnian airline Air Bosna announced its first scheduled flight Thursday between Sarajevo and Belgrade since air links were severed at the start of the 1992 Bosnian war.

The plane arrived at Belgrade airport at 7:30 A.M. and was the first of regular twice-weekly flights, on Thursday and Sunday, costing 233 Deutsche marks (\$131) for each round trip.

The Yugoslav company JAT also said Thursday that it was poised to resume regular weekly flights to Sarajevo, beginning Sunday.

Correction

A front-page article in Thursday's editions on a Madeleine Albright speech misstated the amount Pakistan has paid the United States for a suspended order of F-16 jet fighters. Pakistan has paid more than \$600 million for the jets.

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Europe

City	Today	Low	High	Tomorrow	Low	High
Algeria	24/75	14/57	20/71	13/56	19/60	25/74
Amsterdam	10/50	42/58	17/62	64/68	17/62	23/66
Ankara	18/54	71/64	19/60	42/68	17/62	23/66
Athens	20/58	14/57	20/71	13/56	19/60	25/74
Berlin	24/75	14/57	20/71	13/56	19/60	25/74
Bombay	18/54	71/64	19/60	42/68	17/62	23/66
Buenos Aires	10/50	42/58	17/62	64/68	17/62	23/66
Calcutta	18/54	71/64	19/60	42/68	17/62	23/66
Chennai	18/54	71/64	19/60	42/68	17/62	23/66
Colombo	18/54	71/64	19/60	42/68	17/62	23/66
Delhi	18/54	71/64	19/60	42/68	17/62	23/66
Dhaka	18/54	71/64	19/60	42/68	17/62	23/66
Dubai	18/54	71/64	19/60	42/68	17/62	23/66
Frankfurt	10/50	42/58	17/62	64/68	17/62	23/66
Gurgaon	18/54	71/64	19/60	42/68	17/62	23/66
Hong Kong	18/54	71/64	19/60	42/68	17/62	23/66
Jaipur	18/54	71/64	19/60	42/68	17/62	23/66
Kolkata	18/54	71/64	19/60	42/68	17/62	23/66
London	10/50	42/58	17/62	64/68	17/62	23/66
Los Angeles	10/50	42/58	17/62	64/68	17/62	23/66
Madrid	10/50	42/58	17/62	64/68	17/62	23/66
Mumbai	18/54	71/64	19/60	42/68	17/62	23/66
New Delhi	18/54	71/64	19/60	42/68	17/62	23/66
Paris	10/50	42/58	17/62	64/68	17/62	23/66
Rangoon	18/54	71/64	19/60	42/68	17/62	23/66
San Francisco	10/50	42/58	17/62	64/68	17/62	23/66
Singapore	18/54	71/64	19/60	42/68	17/62	23/66
Taipei	18/54	71/64	19/60	42/68	17/62	23/66
Tokyo	18/54	71/64	19/60	42/68	17/62	23/66
Yokohama	18/54	71/64	19/60	42/68	17/62	23/66

North America

City	Today	Low	High	Tomorrow	Low	High
Albany	24/75	14/57	20/71	13/56	19/60	25/74
Albuquerque	18/54	71/64	19/60	42/68	17/62	23/66
Anchorage	18/54	71/64	19/60	42/68	17/62	23/66
Atlanta	18/54	71/64	19/60	42/68	17/62	23/66
Baltimore	18/54	71/64	19/60	42/68	17/62	23/66
Boston	18/54	71/64	19/60	42/68	17/62	23/66
Buffalo	18/54	71/64	19/60	42/68	17/62	23/66
Calgary	18/54	71/64	19/60	42/68	17/62	23/66
Chicago	18/54	71/64	19/60	42/68	17/62	23/66
Dallas	18/54	71/64	19/60	42/68	17/62	23/66
Denver	18/54	71/64	19/60	42/68	17/62	23/66
Detroit	18/54	71/64	19/60	42/68	17/62	23/66
El Paso	18/54	71/64	19/60	42/68	17/62	23/66
Houston	18/54	71/64	19/60	42/68	17/62	23/66
Los Angeles	18/54	71/64	19/60	42/68	17/62	23/66
Memphis	18/54	71/64	19/60	42/68	17/62	23/66
Minneapolis	18/54	71/64	19/60	42/68	17/62	23/66
Miami	18/54	71/64	19/60	42/68	17/62	23/66
Montreal	18/54	71/64	19/60	42/68	17/62	23/66
New York	18/54	71/64	19/60	42/68	17/62	23/66
Oakland	18/54	71/64	19/60	42/68	17/62	23/66
Phoenix	18/54	71/64	19/60	42/68	17/62	23/66
Pittsburgh	18/54	71/64	19/60	42/68	17/62	23/66
Portland	18/54	71/64	19/60	42/68	17/62	23/66
San Francisco	18/54	71/64	19/60	42/68	17/62	23/66
Seattle	18/54	71/64	19/60	42/68	17/62	23/66
St. Louis	18/54	71/64	19/60	42/68	17/62	23/66
Tampa	18/54	71/64	19/60	42/68	17/62	23/66
Washington	18/54	71/64	19/60	42/68	17/62	23/66
Yakima	18/54	71/64	19/60	42/68	17/62	23/66

Asia

City	Today	Low	High	Tomorrow	Low	High
Albany	24/75	14/57	20/71	13/56	19/60	25/74
Albuquerque	18/54	71/64	19/60	42/68	17/62	23/

THE AMERICAS

Clinton Seeks to Muffle Criticism of China Sales

White House Calls House Vote to Ban Transfer of Technology to Beijing 'Knee-Jerk Reaction'

By Brian Knowlton
International Herald Tribune

WASHINGTON — The White House sought Thursday to quell an outpouring of congressional criticism about the administration's China policy, calling a vote in the House of Representatives to halt sales of U.S. satellite and missile technology to China a "knee-jerk reaction" to news reports.

All but a few Democrats joined the majority Republicans in a series of nearly unanimous votes to ban the technology exports. The votes were a stinging rebuke to the White House after allegations that Democratic campaign contributors had influenced the Clinton administration to waive a 1989 ban and allow civilian satellite technology to be sold to China.

With President Bill Clinton scheduled to visit China late next month, White House officials quickly sought to defuse the bipartisan criticism.

"Because we've got a little political controversy under way here in Washington," said Michael McCurry, the White House press secretary, "some members of Congress are urging that we blow up this relationship, and I think that is very short-sighted."

The measures passed by the House, if endorsed by the Senate and signed into law, would effectively ban exports of commercial satellites to China, potentially affecting deals worth hundreds of millions of dollars to U.S. companies.

Asked about calls from some in Congress for Mr. Clinton to cancel the trip to China, Mr. McCurry said that such sentiment explained why the executive branch handles foreign policy.

"Congress will make interperative judgments that can do real damage to the role the U.S. plays in this world when it reacts to political stimuli rather than thoughtful reason," he said.

The allegations, being investigated by the Justice Department and both chambers of Congress, hold enormous potential to shake the Clinton administration, touching on questions of national security and on what many in the administration see as the country's most important emerging bilateral relationship.

The House votes are likely to be more symbolic than binding since they contain no enforcement provision and the final bill probably will not be enacted until after Mr. Clinton's China trip.

Mr. McCurry indicated that he thought Democrats had joined Republicans in the votes Wednesday out of fear of being caught on the wrong side of a politically charged issue with elections coming this fall.

"Nobody wants to make a vote that they're going to be subject to political criticism for," he said.

In one of four related amendments to a defense spending bill, the House said Mr. Clinton's approval of the export of a communications satellite on Feb. 18

"was not in the national interest."

The votes on the measures were opposed. The amendment calling on Mr. Clinton to sign no new satellite or missile deals with China during his visit carried by a margin of 417 to 4.

The White House insisted that Mr. Clinton had done nothing wrong when he gave Loral Space & Communications Ltd. a new permit to have one of its satellites launched by a Chinese rocket. The company allegedly provided technology to help in the launch that the Chinese might have used for military purposes. Bernard Schwartz, chief executive officer of Loral, gave \$632,000 to the Democrats during the 1996 election campaign.

Administration officials and Loral spokesmen have denied any connection between the donations and the president's decision.

The leader of the House Democratic minority, Richard Gephardt of Missouri, said Thursday that he opposed a plan by the House speaker, Newt Gingrich, to widen the investigation into the satellite exports and alleged Chinese influence on the White House.

The Senate began an investigation Thursday of technology transfers to China. One expert, John Pike of the Federation of American Scientists, told a Governmental Affairs subcommittee that the U.S. satellite technology would not have made much difference to China. Chinese missiles have been capable of hitting U.S. cities since 1981, he said.

But William Graham, science adviser to President Ronald Reagan and George Bush, said that he had unsuccessfully counseled both presidents against satellite exports to China. The technology transfer "carries substantial risk to the United States and its allies," he said.



Media members setting up shop outside the Wisconsin store that sold the Powerball ticket.

Lucrative Lottery

Winning Ticket Pays \$195 Million

The Associated Press

DES MOINES, Iowa — One gambler out of the millions of dreamers who waited in long lines or drove into the next state in hopes of making a killing beat Powerball's 80 million-to-1 odds.

A ticket sold in southern Wisconsin for the Powerball jackpot drawing Wednesday night, worth a world-record \$195 million, was the only winner, lottery officials said Thursday. The winning numbers were 4, 9, 30, 34, 48 and Powerball 8. The winner's identity was not released.

The big ticket was sold in Walworth County, Wisconsin, at a store about 5 miles (3 kilometers) across the state line from Illinois, a non-Powerball state.

Pat Penio, owner of the Lakeside Country Store in Pell Lake, where the winning ticket was purchased, said customers suggested the payoff should be shared with the community of 1,200.

The winning player chose to receive an immediate payout, which meant the ticket was worth \$104.3 million. The full jackpot would have been paid out over 25 years — at roughly \$7.7 million a year.

Vaccine Stockpiling for Civilians to Be Ordered

By Bradley Graham
Washington Post Service

WASHINGTON — President Bill Clinton has decided to order the stockpiling of vaccines and antibiotics to treat huge numbers of civilians in the event of an attack against the United States with biological weapons, according to sources familiar with the plan.

While the Pentagon already has accumulated some medicines to shield troops from a handful of germ warfare agents, no similar reserves exist for civilians.

The prospect that an enemy state or terrorist group might unleash a deadly pathogen or toxin, capable of killing tens of thousands of people in a U.S. city, has become an increasing concern among national security specialists. Although experts differ on the near-term likelihood of such a threat, Mr. Clinton's order will be the latest and most ambitious of several recent administration initiatives to improve the way military and civilian authorities cope with domestic attacks.

Mr. Clinton's personal interest in the subject is said by aides to have deepened in recent weeks, spurred by books and briefings. After listening in early April to an outside panel of seven specialists discuss the poor condition of U.S. biological and chemical defenses, Mr. Clinton sought the group's recommendations on how to deal with a biological attack. In a 16-page report, the panel urged Mr. Clinton to begin the stockpile program and strengthen the ability of the nation's public health system to respond rapidly.

Details about how fast to build the stockpiles and how to pay for them are still being discussed by senior administration officials. Plans call for Mr. Clinton to announce the initiative during a commencement address Friday at the Naval Academy that will focus on the administration's efforts to combat terrorism of various kinds.

Establishing stockpiles for dozens of U.S. cities could easily cost billions of dollars and require years before adequate levels are reached, experts say. A Pentagon program to develop and produce as many as 18 new vaccines to protect U.S. military forces during wartime was initiated last year at an estimated cost of \$320 million over five years. A civilian stockpile program would cover a much larger population and require millions more doses.

It also would require scientific innovations. Anthrax is the only potential germ weapon for which a vaccine has been licensed by the Food and Drug Administration and that is being produced in the United States. Other vaccines are under development but have yet to prove safe for human use.

While there is little support for inoculating all civilians as a preventive measure, vaccines might be administered to local emergency crews. They also might be used to contain an attack in one part of the country or be applied to attack victims to build up their immunological response.

A group of outside specialists, also commissioned by the administration but separate from the one that briefed Mr. Clinton, has listed five agents that present the most immediate menace: anthrax, smallpox, plague, tularemia and botulinum toxin.

Recent defense studies have warned of an increased risk of biological or chemical attack, citing the spread of information about how to produce and deliver poisonous agents and efforts by hostile states and terrorist groups.

After Blackout, an Appreciation of Pagers

By Laurence Zuckerman
New York Times Service

NEW YORK — Tens of millions of Americans have become keenly aware of their dependence on yet another space age technology after a communications satellite orbiting above the Equator went on the blink.

But satellite-industry analysts and executives described the problem as an extremely rare event and said that as more satellites were lofted into space in the next two years, the number of spares would increase.

The problem that paralyzed PanAmSat's Galaxy IV satellite, circling the Earth at a height of 22,300 miles (35,700 kilometers), knocked out the transmission of some television and radio signals as well as data. But the crippling of much of the nation's pager network created the greatest inconvenience.

Workers around the country who had come to depend on their beepers for everything

from emergency calls to the price of soybeans were suddenly in the dark. As in a major electricity blackout or the disruption of telephone service, users suddenly realized how much they had taken technology for granted.

"The pager companies are learning that a lot of people really rely on this stuff," said Clayton Mowry, director of the Satellite Industry Association. "There may be some reconsideration of how these guys use services in terms of having backup capacity."

The satellite industry sprang from the imagination of the writer Arthur Clarke in the 1940s and only began growing commercially in the early 1980s. It is now a \$31 billion industry that is expanding 14 percent a year, Mr. Mowry said.

Paging, which requires only a small amount of bandwidth, or transmission capacity, represents a tiny fraction of the industry's overall sales. Satellite networks connect grocery stores with their warehouses;

they allow people to add fuel to their cars with the swipe of a credit card at the pump, and they transmit up-to-the-minute data to financial traders.

"You don't look at the dish on top of the Piggly Wiggly and the Safeway, but it is there," Mr. Mowry said, referring to two U.S. supermarket chains.

One reason the failure was so notable was that satellites have been so reliable. There have been many problems launching them in recent years, but once in place they rarely malfunction.

"We're very dependent on it because it is a very efficient infrastructure," said Robert Kaimowitz, a satellite-industry analyst at C.E. Unterberg, Towbin, a New York investment bank.

Frederick Landman, chief executive of PanAmSat, said that nearly 200 commercial satellites were in orbit and that the failure rate was less than 1 percent.

PanAmSat Says Full Service Won't Be Restored for a Week

The Associated Press

GREENWICH, Connecticut — PanAmSat continued shifting signals onto its other satellites Thursday to restore service to millions of people who rely on pagers, but the company said it would take about a week to provide full service.

Service was knocked out to from 80 to 90 percent of the 45 million pagers in the United States, and television and radio broadcasts were knocked off the air Tuesday night when PanAmSat's Galaxy IV satellite suddenly lost track of the Earth. But those who rely on pagers and other similar devices found ways to cope when technology let them down.

Ralph Griffith of Plano, Texas, was waiting to hear about the lung transplant he needs when his pager went on the blink. He said he planned to stay home by the phone "until this is straightened out."

At the University of Pennsylvania Health System in Philadelphia, nearly all 2,000 pagers were idled, forcing it to pull old wire-based pagers out of storage. "It's clearly been a major disruption for us," said Dr. David Shulkin. "In the medical profession, this is the equivalent to a large snow storm where people have to scramble to get the job done."

Wisconsin Clinics Again Performing Abortions

Washington Post Service

CHICAGO — Medical clinics in Wisconsin have resumed performing first-trimester abortions after local law enforcement officials reassured them that physicians would not be prosecuted under a new state law that bans what opponents call "partial birth" abortions.

Doctors and abortion-rights groups say the law is unclear and could be interpreted to apply to all abortions, not just late-term procedures. A federal appeals court Tuesday refused to temporarily suspend the new law pending a hearing on its constitutionality.

But prosecutors in Milwaukee, Appleton and Madison offered their assurances that doctors in their jurisdictions would not be prosecuted for performing abortions in the first trimester and up to the 16th week of a woman's pregnancy.

The new law bans a procedure in which a late-term fetus is partly delivered and aborted. Physicians convicted of performing such abortions face a mandatory sentence of life in prison.

Concerned that the new law was unclear and might leave them vulnerable to prosecution, physicians throughout the state halted abortions after the law took effect last week.

Now, with the official assurances, Planned Parenthood and other abortion providers said Wednesday that they would resume performing abortions.

California at Berkeley and University of California at Los Angeles.

At Berkeley, 98 of the 3,660 students who have accepted the university's offer of admission for the fall are black and 185 are Hispanic. Last year, when the university could still use race or ethnicity as a factor in admissions, 224 black students and 411 Hispanic students enrolled in the freshman class. The pattern is similar at UCLA: It now expects to have 131 black students in its next freshman class, down from 219 last year, and 329 Hispanics, down from 452 last year.

University of California leaders expressed dismay with the shrinking number of minorities, but many also said they had feared much worse.

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POLITICAL NOTES

Term-Limit Crusade Loses Steam

CAMP HILL, Pennsylvania — Here lie the tatters of the term-limits movement: disconnected phones, empty doughnut boxes, blank computer screens and an exhausted, unshaven congressional candidate, slumped in a chair in shorts.

Charles Gerow, 42, a conservative Republican, carried the term-limits banner into his primary election campaign here in south-central Pennsylvania. In the voting on Tuesday, Mr. Gerow got crushed: Final returns showed him losing to Representative William Goodling, a 12-term incumbent, decisively, by 2 to 1. The defeat was a blow to term-limits supporters. And it underscores the depths to which the movement has sunk.

Once the promising child of Republican revolutionaries, term limits have become to many in the party the crazy aunt who is stashed in the attic for fear she will embarrass the family. (NYT)

Senate Clears Cigarette-Tax Smoke

WASHINGTON — The Senate has handily rejected the main alternatives to a \$1.10-per-pack increase in the federal fees imposed on cigarettes over the next five years.

First, by a 72-to-26 vote, the senators on Wednesday defeated a Republican proposal to remove all taxes and fees from the tobacco legislation now under consideration. Then, the Senate voted, 58 to 40, to kill a Democratic amendment to make the tax increase \$1.50 over three years.

While many more votes are on tap before the Senate disposes of the tobacco bill, Wednesday's votes had important implications. The first is that anti-smoking forces command enough votes in the Senate to pass a bill that would sharply raise the price of cigarettes.

A second is that there is general agreement that the \$1.10-per-pack increase favored by President Bill Clinton and Senator John McCain, Republican of Arizona, the chief sponsor of the legislation before the Senate, will probably become part of whatever bill comes out of the Senate. (NYT)

Quote/Unquote

Representative Christopher Cox, Republican of California, characterizing the spirit of his panel's investigation of the administration's export of space technology to China: "There's a model that may or may not have been appropriate in other contexts but we won't follow it — the congressional bearing as political theater." (NYT)

Away From Politics

• The government launched a campaign to warn beachgoers that today's suntan may be tomorrow's skin cancer. The advice is simple: wear a hat, don sunglasses, apply sunscreen or just avoid the sun during peak midday hours. "The sun is not a toy — use as directed," warned Health and Human Services Secretary Donna Shalala. (AP)

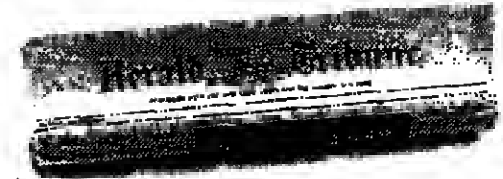
• Red-light runners cause 250,000 traffic crashes a year and a growing number of deaths, according to a new study. The number of fatal crashes involving red-light running has increased 15 percent, from 702 in 1992 to 809 in 1996, the Insurance Institute for Highway Safety said. In those years, 3,753 such crashes killed 4,238 people. (AP)

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ITALY	25.000	50.000	50%
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MALAYSIA	195	390	50%
NETHERLANDS	195	390	50%
NORWAY	195	390	50%
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Indonesia After Suharto / 'First Step Toward Recovery'

Asia's Changing Landscape: 'There's No Turning Back' on Democracy

By Kevin Sullivan
Washington Post Service

SEOUL — The resignation of President Suharto is the latest and most vivid sign of how the Asian financial crisis is changing the political landscape throughout their region, analysts and others across Asia said Thursday.

"We're ushering in a new era of democracy," said Park Jin, a professor at Yonsei University in Seoul. "There's no turning back now."

President Fidel Ramos of the Philippines called Mr. Suharto's resignation a "first step toward recovery," and leaders and legislators and people in the street across Asia said that Mr. Suharto's departure was a hopeful sign that financial pressures were forcing the old-style Asian dictatorships aside in favor of more democracy.

"With this epoch-making step contributing to historical momentum, Indonesia, we hope, will foster itself as a country where democracy and human rights are respected to the fullest," said Shin Ki Nam, a spokesman for the ruling National Congress for New Politics in Seoul.

Indonesia is now the third Asian country,

along with South Korea and Thailand, with a new leader since the crisis hit last year. Japan's prime minister is fighting for his political life because of economic problems. And, with the region's finances splintering all around, China has put economics at center stage with the appointment of a market-savvy prime minister, Zhu Rongji.

The region is in a transition period as it copes with new economic realities and recreates itself for the 21st century, much as it recreated itself from poverty to affluence in the second half of this century. It is far from clear what the new Asian political model will look like, but analysts agree that it will probably be far more democratic, with power likely to move out of the hands of the few and into the hands of the many.

"The general trend is a move from development-oriented dictatorship to a government more supported by the people," said Akio Watanabe, professor of politics at Aoyama Gakuin University in Tokyo. "I could never have imagined how quickly things would change."

While the Asian financial crisis has caused untold pain as companies go bankrupt and workers lose jobs, the silver lining may be the political changes that it has forced, such as the Suharto

resignation, which President Bill Clinton described as "an opportunity for the Indonesian people to come together and build a stable democracy for the future."

For three decades, Mr. Suharto, like many authoritarian Asian leaders, knew how to out-muscle political opponents and dissidents. But he was unequipped to fend off the more complicated international market forces and global economic challenges that he faced.

"While the economy was booming, those people who supported 'Asian values' had some justification," said Hyun Hong Choo, former South Korean ambassador to the United States. "But this financial crisis told us that the root cause of our problems had something to do with the political system. People in the street, as well as the political leaders, have had a revelation that belief in Asian values is not well-founded."

No one was more cheered by Mr. Suharto's resignation than people in South Korea, a nation where democracy was wrested only recently from the hands of military dictators who ruled from the 1960s until 1987. Mr. Shin, the ruling party spokesman, called Mr. Suharto's decision "wise and courageous" and a "victory for democracy."

The long-time dissident Kim Dae Jung was elected to the presidency in December by voters terrified of the economic collapse that was pushing their nation toward bankruptcy. Angry at the inaction of former President Kim Young Sam, who reacted to the economic crisis like a deer in the headlights, voters turned to a candidate who promised long-overdue reforms to the nation's fiscal policies and giant corporate chaebol.

It was Mr. Kim's fourth run for the presidency, and without the economic crisis to propel him, it is unclear that he would have won.

In Japan on Thursday, Prime Minister Ryutaro Hashimoto cautiously welcomed Mr. Suharto's resignation.

"We will continue to support the Indonesian people's efforts at reform," Mr. Hashimoto said. "We are hoping that Indonesia will be able to ensure social stability and economic recovery as soon as possible."

But Mr. Hashimoto had to be wondering if he will be next. The economic chaos in Indonesia is a potential disaster for Japan, which is already suffering severe economic problems that are threatening to cost Mr. Hashimoto his job.

Japanese banks hold about 40 percent of Indonesia's foreign debt, a serious exposure for a banking system already in crisis.

■ Washington Is Cool on Habibie

The New York Times reported from Washington:

Despite the optimistic tone of Mr. Clinton's statement, administration officials said that the United States was still alarmed about the political situation in Indonesia, and especially about suggestions that Mr. Suharto's successor, B.J. Habibie, might try to serve out the remaining five years of Mr. Suharto's term.

They said the appointment of Mr. Habibie did not satisfy the demands of the United States — and of Indonesia's anti-government protesters — for a democratic transition of power involving new elections.

"In the end, this will probably satisfy nobody," an administration official involved in Indonesia policy said. "We have to look beyond Habibie because no one will accept him as president for more than a short time. It's a handful of army generals who will now determine what happens."

Asian Markets Cheer Suharto Resignation

By Philip Segal
International Herald Tribune

HONG KONG — Asian stock and currency markets struggled with and then welcomed the news of President Suharto's resignation Thursday. But analysts said the gains could easily vanish if Indonesia's political future remained muddy, or if the newly sworn-in president, B.J. Habibie, lived up to his reputation as a profligate spender.

Every major currency in Asia except the Philippine peso and the Indian rupee strengthened against the dollar Thursday, led by the yen, which rallied in Tokyo trading.

Japan is Indonesia's biggest lender, and the avoidance of the bloodshed that many had expected would continue if Mr. Suharto remained in office was partly responsible for the currency's recovery.

The dollar fell from 135.45 yen before Mr. Suharto announced his resignation to 134.88 yen before weakening slightly as markets continued to digest the prospects of a Habibie presidency. Tokyo's Nikkei 225 stock index rose 1.2 percent.

The idea that investors should cheer news of Mr. Habibie's rise to the top job in Indonesia shows just how far the country has sunk since early March, when rumors that Mr. Suharto would thumb his nose at the International Monetary Fund by naming Mr. Habibie as his running mate caused the rupiah to plummet.

Between March 8 and March 11, when Mr. Habibie was designated for the vice presidency, the dollar surged from 8.875 rupiah to 12,500 rupiah.

But many analysts said that far too little information had come out of Indonesia to draw more than the most preliminary conclusions about what may come.

"It's much, much too early to work out what this means, and I don't think the markets have done so," said Richard Margolis, first vice president at Merrill Lynch in Hong Kong.

"I don't think there's enough evidence even for the instinctive nature of markets to get to work."

Rather than welcoming Mr. Habibie, in fact, it seemed entirely possible that markets had reacted positively to the prospect that his term might be brief.

The Singapore dollar initially fell against the U.S. dollar on news of the Habibie appointment but then rose along with the Thai baht and the South Korean won. Markets in Indonesia were closed Thursday, but in thin trading the U.S. dollar was quoted at 11,000 rupiah, down about 1.4 percent.

The Straits Times Industrials stock index in Singapore advanced 3.6 percent. Stocks in Malaysia did even better, rising 4.29 percent. The two markets, geographically the two closest to Indonesia, retraced almost exactly their declines of May 6, when rioting spread across Indonesia and fears intensified in Malaysia and Singapore of masses of Indonesian refugees coming ashore there.

Hong Kong's benchmark Hang Seng Index was down 2 percent when news of Mr. Suharto's resignation hit. It immediately reversed course and showed a gain of 1.27 percent at the close.

When news of the resignation broke, "the market was very confused, up again, down again," said a salesman at Salomon Smith Barney in Hong Kong, who said rumors of an interest-rate cut in China rather than relief over Indonesia had been primarily responsible for erasing Hong Kong's early losses.

If Mr. Habibie hopes to restore confidence in the markets, he will have to win over such investors as Terrace Chum, a fund manager at Schroder Investment Management in Hong Kong.

"He's basically a very close friend of President Suharto, and he has the reputation of being a very big spender," said Mr. Chum, alluding to one of Mr. Habibie's old favorite projects, Indonesia's national airplane.

Some others were more bluntly skeptical. "If you still have money in Indonesia, it's time to write it off," Lye Thiam Woon, who helps manage \$200 million in currencies and securities at OUB Asset Management Ltd. in Singapore, told Bloomberg News.

But Roger Pyke at Barclays Global Investors Hong Kong, which he says has between \$10 million and \$100 million invested in Indonesia, said, "The international financial community on the whole should regard this as positive."

He acknowledged, however, that the avoidance of the bloodshed that probably would have followed if Mr. Suharto had not resigned was only a tentative first step for Indonesia.



Student protesters in Jakarta waving the flag on Thursday to celebrate the news of Mr. Suharto's resignation.

VISIONS: Nation Is Divided

Continued from Page 1

democratic system of government. They want a free press, adversarial political parties, independent courts and a strong legislative branch, and they see no reason why the army should play a central role in the political process.

On the other side, many people in the establishment and the army emphasize the virtues of stability. They distrust the hurry-burly of democracy and argue that the armed forces must play a central role in guiding the nation and in keeping it unified.

It was those in the second camp who helped write the script for Mr. Suharto's departure, a script that stipulates that Mr. Habibie will remain president until the present term expires in 2003.

It was they, apparently including men like General Wiranto, who are determined to protect Mr. Suharto and assure him a dignified exit from the stage.

So now the protesters, fresh from having brought down one president, are eager to rewrite that script and fell another.

On Thursday, tens of thousands of demonstrators poured into the Parliament compound — which has become the focal point of the democracy movement, the Tiananmen Square of Indonesia — and almost immediately turned from jubilation at Mr. Suharto's downfall to ratchet up their demands.

"First of all, Suharto," said Janes Nanulaita, a 24-year-old student who was sitting on the floor of the Parliament building, flouting with a group of adoring women students who had gathered around him. "Then Habibie. Then the cabinet must be cleaned out of corruption and nepotism."

The women cooed admiringly and Mr. Nanulaita, who seemed to relish the social opportunities of a struggle for democracy, straightened his back and added after a melodramatic pause: "One thing is certain: we will stay in this building until Habibie steps down."

That view seemed widespread among the students, with most saying that the occupation will continue indefinitely. Banners denouncing Mr. Habibie dangled from the windows, and posters on a budding "Democracy Wall" declared that "Habibie is Suharto's puppet. Do not accept him!"

Speakers at a rally outside emphasized the same theme, with one declaring: "Habibie is a water buffalo whom Suharto is leading by the nose."

The upshot is that the same forces that were arrayed against Mr. Suharto now are targeting Mr. Habibie. The problem for him is that he represents continuity — and continuity with the Suharto years is the last thing most people want. Mr. Habibie was Mr. Suharto's protégé and friend, and he has little stature in society and almost no power base.

If the army is determined to keep Mr. Habibie in power, it could probably do so. But its intentions are unclear. One reason to think that he may be vulnerable is that in the past, relations between the armed forces and Mr. Habibie have been tense. The army may have gone along with his elevation as a favor to Mr. Suharto and as a show of support for the constitutional process, but the generals do not have the bonds of loyalty to the new president that they had to the old one.

So, if there is no secret deal under which the army has pledged to stand by Mr. Habibie, the generals may be willing



Indonesia at a Glance

Population: 210 million, the world's 4th most populous and largest Islamic nation; 88% of Indonesians are Muslims. Chinese, 2% of the population, control 75% of the nation's commerce.	
1985-95 average annual growth in GDP:	7.1%
Economic sectors:	
Contribution to GDP	% of labor force
Agriculture, forestry, fishing	17.2% 45%
Manufacturing	24.3% 11%
Mining	10.2% 0.8%
Services	41.0% 33.5%

Sources: World Bank Development Report; Europa Yearbook; Britannica

to bow to public pressure and eventually dump him. That is the strategy that some legislators are following, aiming to call a special session of a consultative assembly so that Mr. Habibie can be constitutionally removed and a new president chosen.

"Our demand is for Habibie to resign as well as Suharto, so that the reform process can go ahead smoothly," said Ali Sadikin, a retired lieutenant general and governor of Jakarta, who is one of the most prominent former officials who is working with the students to change the political system. "The way out is a special session."

The presence of former military men in the process — and the emphasis on such constitutional means as a special session — may reassure the armed forces enough that they will stand by and allow the impeachment process to unfold. If so, Mr. Habibie's prospects are not good, because he has so few backers.

It is not clear who might emerge on top from this constitutional process of choosing a new president in mid-term. One possibility is some establishment

figure who is not so close to Mr. Suharto as to have his credibility tainted. If so, the political restructuring might still be measured, and the armed forces and the conservatives would get their wish for gradualism and stability.

Another possibility is someone like Amien Rais, a Muslim leader who has emerged as the main opposition leader and who presumably would be far more likely to introduce sweeping political changes. Mr. Rais has cultivated ties with the army and might be acceptable to the generals, but he falls into the camp seeking to shake up Indonesia in fundamental ways.

In either case, one of the key divisions in the coming months will concern what to do with Mr. Suharto and the corporate empire that his family built up during his presidency.

The venom directed at Mr. Suharto, who in the past was treated as a national father figure, is stunning, for the Parliament square echoed Thursday with calls for confiscation of his assets, imprisonment and even execution.

"Suharto must be held accountable for what he did over the last 32 years, so

he should go to prison," said Aldo Mustopo, 25, a communications student.

His friend, Raras Tejo, 21, scoffed at that. "Simply arrested?" he asked. "No. He should be hanged, like Louis XIV."

Mr. Tejo's major is international relations rather than history, and that may explain why he got the wrong Louis (it was Louis XVI) and method of execution (the guillotine). In any case, some of these kinds of statements in the Parliament building may simply be a matter of letting off steam.

It is difficult to imagine the student movement going eyeball-to-eyeball with the armed forces over the demand that Mr. Suharto be hanged, but the oratory still underscores the vast gulf in values between the protesters and the government.

The gulf was evident when Mr. Habibie offered the legal interpretation of Mr. Suharto's legacy.

In a speech Thursday night, he praised Mr. Suharto to the skies and concluded: "I sincerely believe that our people, our society, feel the same gratitude for his service."



Amien Rais, above, the Muslim opposition leader, speaking to the press Thursday after Mr. Suharto's resignation. General Wiranto, right, commenting at the presidential palace, said the army would maintain order.

Dissidents Bitter About Suharto and Skeptical of Any Change

JAKARTA — While many Indonesians cheered the resignation of President Suharto, some of those hardest hit by political repression during the past three decades were not rejoicing.

Dissidents and human rights activists contacted after the swearing-in of President B.J. Habibie feared little would change.

Mr. Suharto has been criticized for supervising a government that has cracked down hard on political dissidents since he took power in 1966.

"Suharto's resignation is absolutely meaningless compared to all bad things he has done during the past 32 years," said Pramodya Ananta Toer, an author.

A prominent supporter of Sukarno,

Indonesia's first president, Mr. Pramodya was imprisoned after Mr. Suharto's military overthrew Mr. Sukarno. Mr. Pramodya was freed in 1979, but remains under house arrest.

"Habibie is the same man as Suharto," said Muchtar Pakpahan, a labor leader who was sentenced to four years in jail for subversion. "He is also a source of collusion and nepotism."



Charles (Hampshire) The Associated Press

INDONESIA: Habibie Promises Reforms

Continued from Page 1

would be only a short-lived transitional figure. Mr. Habibie, who served for decades as minister of research and technology before becoming vice president just two months ago, has never held an important administrative position and does not have a strong political base or broad support within the powerful military.

During the brief and painful ceremony at which he resigned, Mr. Suharto apologized for his mistakes and banded over his office to Mr. Habibie in a nationally televised ceremony. After his brief statement of resignation, he turned the microphone toward Mr. Habibie, who immediately took the oath of office as a judge held the Koran above his head.

Mr. Suharto then stepped up, shook Mr. Habibie's hand, smiled and walked down a line of judges, smiling and shaking their hands. He gave a small salute to the onlookers and walked away.

Mr. Suharto never lost the gentle smile with which he had addressed his people for the past three decades. He concluded, "I'll say thank you very

much for your support and I am sorry for my mistakes, and I hope the Indonesian country will live forever."

During the ceremony, the most commanding figure was the defense minister, General Wiranto, who pledged to support the new president in what might have been the most crucial statement of the morning.

The backing of the military has been the decisive factor throughout the past few tense days in which Mr. Suharto's fate was decided, and this backing will ultimately determine whether Mr. Habibie serves out Mr. Suharto's full term in office, which ends in 2003.

Amien Rais, who has emerged as the leading opposition figure in recent weeks, said that for the moment he would give Mr. Habibie the benefit of the doubt, but added: "If his new cabinet stinks of nepotism, then I will not endorse him."

Kemal Idris, a respected retired general, was one of many public figures who said they would not accept Mr. Habibie as president.

"No celebrations yet," he said. "Habibie is part of the Suharto crony leadership, and we do not trust him. We want to see a real change."

Like many of the students, he is joined by a widespread demand for the convening of a special session of the electoral assembly, which members of Parliament had begun to put in motion in an effort to remove Mr. Suharto. Their target now is Mr. Habibie.

On the grounds of the Parliament, new anti-Habibie banners appeared alongside the older banners calling for the ouster of Mr. Suharto.

"Refuse Habibie as president right now," read a large yellow banner. Even if he were a popular leader who could call on a reserve of public support, Mr. Habibie would face a daunting task as president.

He inherits from Mr. Suharto a nation still reeling from weeks of riots, student demonstrations, troop movements and political maneuvering and faced with a deepening recession that would tax the abilities of even the most able leader.

But Mr. Habibie, without offering specific policies, set forth an ambitious program that, if realized, could revamp the decades-long government system of his predecessor.

Addressing another of Mr. Suharto's failures, Mr. Habibie pledged to honor the nation's commitments to economic reform in return for a \$40 billion rescue package organized by the International Monetary Fund.

If, unlike his predecessor, his deeds match his words, this policy could strengthen the nation's standing with international creditors and investors. But it would also add economic pain to his countrymen by imposing new austerity measures.

It will be the task of the nation's leader to rally public support and patience for the belt-tightening that lies ahead, to avoid the protests and riots that have greeted every round of price increases and food shortages so far this year.

If he is to succeed, Mr. Habibie also faces the daunting task of taking real control of the nation's economy and power structure from the entrenched and mutually supportive crony network that enmeshed the country under Mr. Suharto. Promising reform in another key area of political failure by his predecessor, Mr. Habibie said he would review "the entire legal system," a corrupt and unresponsive branch of government that has been a source of some of the nation's greatest abuses and public discontent.

Even as he pledged to address what amounted to a catalogue of Mr. Suharto's abuses of power, Mr. Habibie expressed his "deepest gratitude" to the man who has been his close friend for 48 years and to whom he owes his political career.

"We will never forget the dedication and the service he has delivered to us," he said. "He has formed the core of the success of our development."

Offering an olive branch to the forces who brought down his mentor, Mr. Habibie said, "The struggle of our students has been a fresh current which is rapidly carrying us into the 21st century."

He added: "I have been enormously impressed with the dynamics which have developed in the reform process, both those which have been expressed by the student protests and the more general desire for reform in the population and in Parliament."

He asked his listeners to be patient and to give him his support as he takes on the huge tasks left to him by Mr. Suharto, and some people seemed willing to oblige.

"I don't know what will happen, but today I am happy because maybe after this moment we have a new hope," said Setyo Budi, a police officer.

INTERNATIONAL

ARMY:
Key Power Broker

Continued from Page 1

representatives' speaker, Harmoko, that the legislature would hold a plenary session Friday to ask Mr. Suharto to step down unless he agreed to do so before then.

Mr. Sudarsono, who was deputy governor of the Defense Ministry's National Resilience Institute before being appointed to the cabinet in March, said that even though Mr. Habibie currently had the military's support, he might only be a temporary leader.

"I think the military have found it prudent to accept him at least as a temporary head-of-state," Mr. Sudarsono said on Australian Broadcasting Corporation radio. "If General Wiranto were to take over, there would be some suspicion that this was an apparent grab of military power."

General Wiranto, 51, was appointed commander-in-chief of the armed forces in February. In March, he was made defense minister.

He is widely seen as the main advocate of restraint in the military's handling of the three months of student protests against the tougher line of some other commanders, including Lieutenant General Prabowo Subianto, head of the army strategic reserves and a son-in-law of Mr. Suharto.

In seeking to calm the situation, General Wiranto positioned the military in the middle ground between the government and its critics, saying that the armed forces supported reform, but through peaceful and constitutional means.

Analysts said that General Prabowo, who owed his meteoric rise to his family and political connections, would be weakened by Mr. Suharto's resignation while General Wiranto and the military professionals who supported him had emerged stronger. "Prabowo without Suharto is a weakened Prabowo," said a former Indonesian official. "He is politically cornered."

A Western diplomat said that if Mr. Habibie failed to forestall moves to replace him in the special session of the People's Consultative Assembly, General Wiranto was likely to be a leading candidate to take his place.

"A lot of people are saying he's the right guy because of his moderate reputation and military background," said the diplomat. "With the right civilian as vice president, Wiranto could offer an appealing assurance of stability and reform."

General Wiranto would also be helped by his reputation for integrity, analysts said. "He seems to be a leader who plays things straight," Mr. Gale said. "In the recent protests, he tried to find a middle way and avoid confrontation for the sake of national stability and unity. He also avoided playing politics, unlike some other generals."

On Thursday, some students expressed fears that Mr. Habibie might not be able to control the army and that this would result in the military taking a dominant role in running the country.

Mr. Gale said he believed Indonesians would accept a military man in the top job again, "provided he was more responsive to demands for political reform and did not perpetuate a nepotistic regime."

Analysts said that relations between Mr. Habibie and the armed forces had been severely strained since he engineered a \$1 billion deal for 39 East German warships in 1994 without consulting the military or the Finance Ministry.

Mr. Habibie, then research and technology minister, forced the deal on the navy, in part to benefit the state-run shipbuilding industry he headed by giving it the business of refurbishing the vessels.

"That deal effectively crippled the military's budget for 10 years," said a Western military attaché.

Mr. Habibie, with Mr. Suharto's backing, also made it mandatory for the Indonesian armed forces to buy the products of other heavily subsidized "strategic" industries he operated that made planes and arms, even though the military preferred to buy more modern foreign weapons.

On Ethiopia Border, Tempers Flare

By James C. McKinley Jr.
New York Times Service

NAIROBI — Eight years after they jointly won a civil war against a communist dictator, the leaders of Ethiopia and Eritrea seem to be on the verge of attacking each other over a triangle of rocky land along their shared border.

Over the weekend each government massed thousands of troops on each side of the disputed territory. Officials from the two countries have attacked each other in increasingly harsh rhetoric, each accusing the other of invading a 250-square-mile (650-square-kilometer) zone around Badame known as the Yigra Triangle.

The crisis has worsened despite the efforts of Susan Rice, U.S. assistant sec-

retary of state for African affairs, who has been shuttling between the two capitals, U.S. officials said.

"Both of these countries are close friends of the United States," the State Department spokesman, James Rubin, said in Washington. "We have urged both governments to practice restraint."

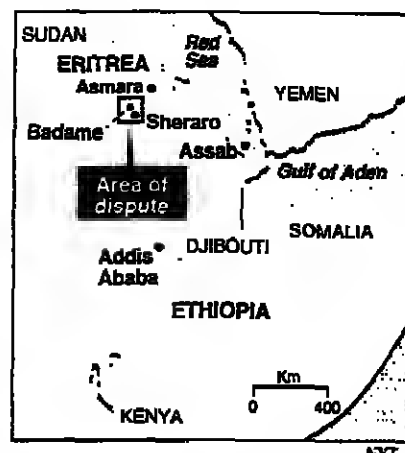
But in a statement Wednesday, the Ethiopian foreign minister, Seyoum Mesfin, said his country was running out of patience and would take "necessary measures" unless Eritrea immediately withdrew its troops. Eritrea denies that its forces are on Ethiopian soil.

"In case we go into full-scale conflict due to Eritrea's failure to heed Ethiopia's call for unconditional withdrawal of its troops," Mr. Seyoum said,

"Ethiopia would like the international community to appreciate how we handled the conflict imposed on us."

Mr. Seyoum delivered his message a day after a pro-government Ethiopian newspaper, *Ahiyowaw Democracy*, accused Eritrea of having deployed 20,000 troops along the frontier, digging trenches and building defenses around Badame and a second town, Sheraro. The report could not be confirmed, although journalists who visited the region Sunday said thousands of Eritrean troops had taken up defensive positions.

The crisis erupted last week, when Ethiopia accused Eritrea of invading its territory. The countries have disagreed about their border since Eritrea gained independence from Ethiopia in 1993 but

Yeltsin Forms
Crisis Group
To Tackle Pay
For Miners

Compiled by Our Staff From Dispatches

MOSCOW — President Boris Yeltsin set up a crisis group Thursday to tackle unpaid miners' complaints, but he faced a fresh problem on Russia's sensitive southern flank where hundreds of armed men briefly occupied a government building in the capital of the southern region of Dagestan.

The miners kept up protests that have paralyzed vital rail routes as their union leaders urged them not to return to work until they are paid.

In a bit of good news for Mr. Yeltsin, the opposition Communists said they would put off for at least a week an attempt to impeach him.

"Nobody should think that there are differences between the branches of power at this complex time for society," Yegor Stroyev, speaker of the upper chamber of Parliament, said in televised remarks after meeting with Mr. Yeltsin.

Mr. Stroyev added that Mr. Yeltsin's crisis commission on the miners would convene early next month.

Meanwhile, Sergei Kiriyenko, prime minister for barely a month, reported that the country's twitchy financial markets were under control. Russian shares were negligibly firmer on domestic factors and in response to President Suharto's decision to step down in Indonesia.

"The situation was, is and will be under the control of the government and the central bank," Russian press agencies quoted Mr. Kiriyenko as having told his cabinet. "There is no chance of unsettling the Russian financial market."

A senior Russian government source said that Moscow expected the International Monetary Fund to approve in the next few days the next \$670 million installment of a \$9.2 billion loan worked out in 1996. An IMF monitoring team is in Moscow.

"The situation definitely looks more stable at the moment," said a trader at a Western bank, referring to the markets.

Things looked far from stable in Makhachkala, capital of the Russian region of Dagestan, a fragile patchwork of about 30 mainly Muslim ethnic groups that borders breakaway Chechnya.

Hundreds of armed men occupied a local government building, a police spokesman said by telephone. Dagestani officials later reached a deal with the gunmen, agreeing to let them leave without any intervention by the authorities, Russian press agencies reported.

Some Russian media described the action as an attempted local coup by a group favoring more Islamic rule. There has been a spate of violence in Dagestan in recent months. (Reuters, AFP)



Prime Minister Tony Blair of Britain greeting Royal Irish Regiment troops Thursday on a visit to County Down.

IRELAND: 'Yes' and 'No' Both Stir Strong Emotions in the North

Continued from Page 1

With characteristic thrift, the government in Dublin has also put a referendum about the European Union on the same ballot. This has nothing to do with the peace plan, but holding both votes on the same day will save money for the Republic.

The polls and the politicians here all agree that the peace plan will breeze to approval in Ireland by a large margin. A majority "yes" vote is also likely in the north, but the political calculations here are more complicated.

A simple majority may not be enough to assure that the peace process goes forward.

The peace plan establishes a Northern Ireland Assembly, a body that will replace the British government as the local governing authority.

If the unyielding opponents of the peace plan win a significant number of seats, they could block legislation required to implement the agreement.

Accordingly, the people of this highly politicized province will watch the results of Friday's voting to gauge the likely composition of the new assembly.

It is generally agreed that a "yes" vote of 70 percent or more in the North will suggest that the assembly membership will strongly back the plan. If the "yes" vote is less than 60 percent, the assembly could conceivably become a house of stalemate.

"There will never be peace here," said Mary Rice, a Protestant mother from East Belfast whose right forearm is tattooed with a smiling kitten.

"Too many families have been hurt to forget everything now and just start over," she said.

To Mrs. Rice, the crucial element in Friday's vote is fear of the future.

"I don't know if this deal will work," she said. "If my wee son Gary comes home and says he's engaged, but he's not sure this is the right girl, what should a mum say? Should I tell him, just take a chance? Say 'yes' to a chance? It's right dangerous."

Norma Kane, who was shopping along Belfast's Shankill Road, was also thinking of her son. But she had come to a different conclusion.

"I have a soo who's 20," she said. "He's known nothing but troubles. I'd hate to see him go another 20. I'll be voting 'yes' and hope that it works."

George McKnight, a civil servant,

said he expected the referendum to pass, although he is a determined "no" voter, calling the plan a surrender to terrorists on the Irish Republican Army side.

"The violence has won," he said. "They got everything they wanted."

Albert Murray, a Roman Catholic student who was walking through the old red brick campus of Queens University in Belfast, said he thanked his stars for giving him a chance to vote "yes" in an election that he is convinced will change Northern Ireland forever.

"It's a bit of history, isn't it?" Mr. Murray said. "And not a wee bit of history."

"This could end the bombing and the beating of people in Ireland."

Main Provisions of the Belfast Accord in Irish Referendums

The Associated Press

Following are the main political provisions of the Belfast accord, which faces referendums Friday in Northern Ireland and the Republic of Ireland:

NORTHERN IRELAND ASSEMBLY: The Assembly, to be elected June 25, would have 108 members — six selected from each of Northern Ireland's 18 British parliamentary constituencies. It would gradually take over responsibilities in all areas except security and prisons policies from Britain, which assumed "direct rule" in 1972.

To ensure that neither bloc — pro-British Protestant or Irish Catholic — could impose its will, controversial issues would have to receive either a "weighted majority," at least 60 percent approval, or "parallel consent,"

at least 50 percent each from Protestant and Catholic blocs.

EXECUTIVE: Twelve Assembly members from several parties would form the Executive, a cabinet-style administration for Northern Ireland. Its members would represent Northern Ireland in dealings with the Irish Republic. The top post would be "first minister" and probably Protestant, the No. 2 spot "deputy first minister" and probably Catholic. Critically for Protestants, ministers' decisions would have to be "endorsed by the Assembly as a whole."

NORTH-SOUTH MINISTERIAL COUNCIL: The forum for ministers from the Irish Republic to pursue joint policy-making with the Northern Ireland Executive.

Ministers would meet on mutually agreed areas of common interest — agriculture, tourism, environmental protection, welfare fraud control and transport are suggested fields. The agreement requires the Executive to reach agreement on how to handle its cross-border relations by January 1999.

Otherwise, the British government reserves the right to suspend or abolish the entire Northern Ireland Assembly.

BRITISH-IRISH COUNCIL: Lawmakers from the British and Irish parliaments, new devolved administrations for Scotland and Wales, the new Northern Ireland Assembly and representatives of Britain's Isle of Man and Channel Islands would meet twice yearly at summit level "to agree common policies or common actions."

UNIVERSITY: Bulgaria-U.S. Hybrid

Continued from Page 1

obtained by American secondary-school students taking the same tests.

Most of the Bulgarian entrants learned their English, and their test-taking agility, by studying in their own country at "language high schools," special fast-track schools that enabled the Communist regime to turn gifted students into world-class linguists.

Aspiring to provide a liberal-arts education, AUBG emphasizes problem-solving in its teaching, even though the curriculum is weighted toward practical business applications. Economics and literature take a back seat to management and communications, skills in short supply in East European business.

"All these kids really want to learn stuff from the horse's mouth," said Bogdan Atanasov, a professor of English. "Business in America has been successful so students want to learn from teachers from the United States."

Whereas Bulgaria's state-run universities pay professors separately for their lectures and their tests, AUBG "intertwines teaching, examining and advising in professors' responsibilities," said Mark Stefanovich, a professor of European archaeology.

And the concept of a "graduation day" to celebrate class spirit and cultivate alumni support is still foreign to schools in the former East Bloc, where student contact is at a minimum.

East European universities are "stove-piped," said Rumen Rashchov, an AUBG senior from Plovdiv in eastern Bulgaria. "I mean, you stay with the same group of people who enter your specialty and come out with you, and you only really see them when you study together before exams."

Elena Popodorova, 40, a member of the Bulgarian Parliament and of the AUBG board, recalled that after passing her

exams at Sofia University, the country's highest and best-known faculty, "I had to find some woman in a dark office who rummaged around and produced a little piece of paper stating that I graduated."

The founders of AUBG clearly wanted to create something radically different. One of them, John Panitza, a Bulgarian, quit a journalistic career spent mostly as managing editor of *Reader's Digest* in Europe to devote himself to helping his native country. Mr. Panitza, whose family included politicians and bankers who participated in the Westernization of the country before the Communist takeover, dreamed of a U.S.-style university as the cornerstone of his country's renewal.

His idea was shared by John Menzies, the representative in Sofia of the U.S. Agency for International Development, who persuaded friends at the University of Maine to extend degree recognition to AUBG. The university is close to its own U.S. accreditation.

Equally important was George Soros, the Hungarian-American billionaire who has been a one-man philanthropic demagogue in the former Communist countries.

All three were enthused when Blagoevgrad, a small city in the southwest corner of the country wedged between Serbia, Macedonia and Greece, offered to turn over the party's regional headquarters to the American venture.

Today it houses the region's largest library of books in English after acquiring a 90,000-volume collection last year from a U.S. university, largely through the efforts of the Free and Democratic Bulgaria Foundation run by Mr. Panitza. Computer labs and satellite links to Internet provide a strong electronic infrastructure.

A year's study at AUBG costs nearly \$10,000 a year, a figure that includes



CHEERS — Prime Minister Ivan Kostov of Bulgaria celebrating his government's first year in office Thursday.

tuition, room, board and books. Some foreign students pay, but all Bulgarians are on full scholarship — an acknowledgment that a wave of hyperinflation two years ago wiped out almost all existing savings in the country.

This paternalism came through unabashed at Commencement when Julia Watkins, 60, AUBG's president, asked with smiling firmness in English and in Bulgarian that the parents of graduating students rise. A few dozen families stood up, looking ill at ease.

"Will the senior class please stand and face your parents, thanking them for their roles in getting you here?" Mrs. Watkins said. As Westerners in the audience applauded, the students seized their cue and quickly joined the tribute. But it took a moment before the parents seemed to feel comfortable with this brave new world.

Argentine Suicide Linked to Journalist's Death

By Anthony Faiola
Washington Post Service

BUENOS AIRES — Alfredo Yabrán, a shadowy and furiously private millionaire suspected of ordering the slaying of an Argentine journalist in one of this country's most notorious homicides, apparently shot himself to death at his lavish ranch a few hours north of here as police were preparing to arrest him, local media reported.

Mr. Yabrán, widely reputed to have had close ties within the government of President Carlos Menem, had been on the run since Friday, when Judge Jose Luis Macchi ordered his arrest in connection with last year's slaying of Jose Luis Cabezas, a photographer for the crusading magazine *Noticias* who had taken the first known picture of Mr. Yabrán in decades.

Before his apparent suicide Wednesday, Mr. Yabrán had become one of the most demonized figures in Argentina. The son of Lebanese immigrants became a lightning rod for public outrage at violence against journalists and a symbol of the "new rich" who have prospered during Argentina's transformation to a free-market economy in the 1990s.

Mr. Yabrán, 53, was accused of having Mafia ties, and that helped fuel a national movement against him after Mr. Cabezas was found shot to death. The journalist's handcuffed body was found burned in a car near the posh beach resort of Pinamar, south of Buenos Aires. The style of execution was reminiscent of the way Argentina's former military regime assassinated its political opponents, which served to ignite the fury of Argentines even more. Vigils, church services and rallies in support of Mr. Cabezas were held nationwide.

Buenos Aires police officers and

former Yabrán security guards have been arrested or implicated in the killing of Mr. Cabezas, though the judge investigating the case put out an arrest warrant for Mr. Yabrán only on Friday.

The warrant came after the wife of Ousayvo Belezzi, one of the main suspects in the case, said her husband was working for Mr. Yabrán when he took part in the murder.

Friends of Mr. Yabrán said Tuesday that he felt surrounded and strangled by the public manhunt. "He did it because

he did not want his children to see him humiliated and handcuffed," Carlos Mourino, a former Yabrán bodyguard, told reporters.

There were conflicting reports about Mr. Yabrán's apparent suicide, and some in Argentina suggested the body found at his ranch may have been a double, not Mr. Yabrán. But television and radio stations cited local authorities who confirmed the body was Mr. Yabrán's and had been found with self-inflicted gunshot wounds to the head.

Privileges for a Jailed Heiress

By Jennifer Ordonez
Washington Post Service

WASHINGTON — For Susan Cummings, serving a sentence for voluntary manslaughter in Virginia's Fauquier County jail has not exactly been rigorous.

Before the Virginia arms heiress even showed up Saturday to begin 60 days of imprisonment for killing her lover, a polo-playing Argentine, other prisoners were cleared out of the women's cell block so she could pay her debt to society in private. Her dormitory-style room has its own telephone.

Sheriff Joseph Higgs transferred five prisoners to jails in neighboring communities — at an estimated cost to county taxpayers of \$40 per prisoner per day — out of concern for Ms. Cummings's safety, a spokesman said. Officials said they feared that Ms. Cummings's light sentence might lead to friction with other inmates serving longer sentences for lesser crimes.

Ms. Cummings, 35, had been

charged with first-degree murder for shooting Roberto Villegas, 38, four times at close range on Sept. 7 at her 350-acre (140-hectare) estate near Warrenton, Virginia. She pleaded self-defense. The jury convicted her May 13 of voluntary manslaughter, recommending a 60-day sentence that Ms. Cummings readily accepted.

Once Ms. Cummings was inside, her jailers relaxed the rules. Prisoners are generally allowed no more than three visitors, for no more than 30 minutes, only on weekend days. Ms. Cummings, though, has been permitted to entertain multiple visitors for hours each day, said Major David Flohr of the sheriff's department, who administers the facility.

"All I can say is that I work for Sheriff Higgs and follow his orders," Mr. Flohr said Wednesday. The sheriff, who was traveling that day, did not return messages left at his office.

Ms. Cummings's attorney, Blair Howard, said he had made no special requests for his client.

EUROPE

At Wrong Moment, Sein Fein Sent a Troubling Image to Voters

By Richard L. Berke
New York Times Service

BELFAST — It is every political campaign's worst fear: everything at risk with one searing image.

It happened to President George Bush when he tapped into voters' fears that he was out of touch by checking his watch three times during a debate with Bill Clinton. It happened to Michael Dukakis when he tapped into voters' fears that he was militarily challenged by playing Snoopy in a tank.

Now the curse of the indelible image, the one that crystallizes anxieties and gnaws at voters, has struck Gerry

Adams — at just the moment he seemed to be successfully negotiating Northern Ireland's treacherous shoals from rifle to ballot box, from rebel to high-ranking official.

Mr. Adams, the president of Sinn Féin, the political wing of the Irish Republican Army, and a linchpin of the jittery coalition trying to win a referendum here and in the Irish Republic on Friday on the Northern Ireland peace agreement, made the blunder at a party convention on May 10.

He took to the stage surrounded by strutting IRA guerrillas who had been released from prison to attend the event. The "yes" campaign, while still ex-

pected to prevail, took a dive in the polls. Suddenly, all the Protestants in Northern Ireland were obsessed about marauding prisoners taking over Northern Ireland and terrorists in black masks holding high government positions.

Mr. Adams' unionist partners were livid — some publicly attacked him — and the accord's opponents gleefully mocked the cocky tableau. They also used it to stoke fears over the agreement's provision for the accelerated release of political prisoners.

One anti-referendum advertisement in newspapers this week painted this picture if the accord is approved: "We got murderers on the street, godfathers

in government and gangsters acting as police."

On Wednesday, just two days before the voting, supporters of the agreement were still struggling to overcome the political damage, hoping that a concert by the wildly popular rock group U2 will have erased the stench.

The gaffe had such serious reverberations because it underscored the tensions in one of the most fragile coalitions in history, consisting of partners who may loathe each other, may not speak outside the negotiations, but who are manacled together by the agreement.

David Trimble, head of the largest unionist party, who backs the agree-

ment, branded the assemblage "a disgusting display."

Officials involved with the campaign for the accord said that was a major reason why U2 scheduled its special appearance on the referendum's behalf here this week. And it explains why Prime Minister Tony Blair of Britain flew to the town of Coleraine north of here Wednesday and pledged that prisoners would be kept in jail unless they gave up their criminal activity for good.

In a television interview, Mr. Blair declared, "Who could feel anything but revulsion with prisoners parading themselves about?"

In a rare admission of failure, Mr. Adams, in an interview here, referred to the event as "my mistake."

But British and Irish officials now concede privately that it was a huge miscalculation for them to allow the temporary release of seven prominent IRA prisoners so they could appear at the Sinn Féin convention in Dublin on May 10.

The spectacle of defiant guerrillas who had served sentences for bombings and shootings drawing thunderous applause as they appeared on stage with Mr. Adams infuriated many voters.

While Catholics are widely behind the agreement, Protestants are divided and polls show that the event in Dublin — which has been repeated again and again on television — has been the biggest single factor causing them to turn against the agreement.

"That took quite a few chunks out of the 'yes' campaign," said a senior British government official who spoke on the condition of anonymity. "It shoved a lot of 'don't knows' into the 'no' category. And there's some evidence that even some moderate nationalists were turned off by the obvious triumphalism of the guys. It's the way they were treated — and the way they behaved."

Seeking to allay voters' fears about prisoners taking over the streets, backers of the accord have contended that many prisoners would be eligible for release in a year or two anyway.

Pressing its argument that terrorists of the past can become good citizens of today, the "yes" campaign called a news conference Wednesday at which it produced three former prisoners on the unionist side. In contrast to the swaggering inmates at the Sinn Féin conference, these men looked meek, repentant — and respectable.

"I'm sorry, I'm sorry, I'm sorry for what I have done," said James Tate, a carpenter who went to prison in the 1970s for possession of a gun and now is in a Christian support group with other former prisoners, including reformed IRA terrorists.

In Belfast, a city of intrigue, there was immediate speculation that the acute and brash Sinn Féin leader was either deliberately trying to scuttle the agreement or show he was not under the thumb of his Union Jack partners.

But Mr. Adams, in the interview at the heavily guarded Sinn Féin compound here, insisted that he had not intended to turn the event into such a spectacle, and he acknowledged that he had misjudged the situation.

"What I underestimated, I have to say, was the actual emotional effect," he said. "I can understand how some people could be offended. But I can

BRIEFLY

Bonn Suspends Waste Shipments

BONN — The Environment Ministry on Thursday halted until further notice the transport of all combustible nuclear material within Germany and to other countries after revelations of contamination in convoys bound for France.

"There will be no transport of combustible nuclear material within Germany or to reprocessing centers abroad until appropriate measures — for example improved cleaning procedures before transport — provide assurances that such contaminations will not take place again," the ministry said.

On Wednesday, the ministry announced the suspension of waste shipments to Britain and France, following reports of radiation leaks in convoys to France. Earlier this month, the authorities revealed that there had been 11 cases of excess radioactivity on German waste convoys in 1997 out of a total of 55 convoys. (AFP)

Turkey Shuns EU

ANKARA — Turkey, whose ties with the European Union are badly strained, will not send its foreign minister to a meeting with EU ministers in Brussels on Monday, a government source said Thursday.

"The conditions for this meeting have not attained the necessary maturity," the source said.

Ankara warned Wednesday that Foreign Minister Ismail Cem would not attend the meeting of the Association Council with the European Union if EU member states did not overrule a veto by Greece on financial aid to Turkey. (AFP)

For the Record

The Greek authorities, who last month confiscated several guns shaped like key rings, have now seized two "ballpoint pens" capable of firing 22 caliber bullets, Greek newspapers reported Thursday. The Athens News said the police had detained an Albanian man in northern Greece on Wednesday after finding two pen guns and four rounds of ammunition in his car. (Reuters)

New Labour, Old Goal: Strong Workers' Unions

By Tom Buerkle
International Herald Tribune

LONDON — The government of Prime Minister Tony Blair undertook an ambitious attempt on Thursday to roll back the labor-market deregulation of the Thatcher era by unveiling a package of proposals to guarantee a worker's right to union representation and strengthen protection against unfair dismissals.

Britain's union leaders, who saw their membership dwindle by nearly 50 percent during 18 years of Conservative government, largely welcomed the proposals as their first major payback since the Labour Party took office last year.

John Monks, leader of the Trade Union Congress, said the proposals were "broadly very favorable." Employers leveled harsh criticism at the plans, however, in what amounted to the first serious breach between Mr. Blair's government and the business community.

"It's part of a package that undeniably pushes the balance of power from the employer back to the employee," said Ruth Lea, head of policy at the Institute of Directors, one of the country's main business groups. "For us, it's a retrograde step. It could lead to quite a lot of friction in the workplace."

John Redwood, trade spokesman for the Conservative Party, said the government was "out to turn the clock back" in a way that was bad for business.

Mr. Blair has enjoyed a yearlong honeymoon while offering vague talk of a third way of economic policy that eschews both the laissez-faire attitude of the Thatcher years and the government intervention of past Labour governments. But the Tory reaction to Thursday's proposals gave a taste of more difficult times ahead as Mr. Blair's government begins implementing policies in a range of trouble areas.

The government was buffeted this week by news that hospital waiting lists, which Labour vowed to cut in one of its few election promises, have risen in the past year.

The issue of employee rights has been a particularly treacherous minefield because it has forced Mr. Blair to take sides

between unions — the Labour Party's traditional supporters whose grip on party policy has been drastically reduced under New Labour — and business leaders, who Mr. Blair has courted.

Aides to Mr. Blair insisted that the government had consulted widely and that the proposals contained something for unions and employers. Margaret Beckett, minister for trade and industry who presented the proposals in Parliament, called them "a balanced package of measures which will promote fairness at work."

The proposals included these steps:

- A requirement that companies recognize unions that are supported by 40 percent of employees in a union recognition ballot.

- A right for any employee, unionized or not, to be represented by a union official in a disciplinary or grievance procedure.

- A measure to extend legal protection against unfair dismissal to workers with one year on the job, down from two years currently.

- Granting part-time workers the same protections as full-time workers.

The proposals, which the government intends to turn into legislation next year, follow Labour's decision last year to bring Britain under the European Social Protocol, which mandates worker consultation in large companies. Labour also plans to introduce a minimum wage next year, and a commission is expected to recommend a starting rate of £3.60 (\$5.88) an hour in coming days.

"These are not business-friendly policies," Ms. Lea said.

The right to union recognition has been a rallying cry for organized labor ever since Lady Thatcher's government abolished the right in 1980.

Mr. Blair had committed his government to restoring the right, but the 40 percent threshold has angered many union officials, who instead argued for a simple majority of workers voting. Mr. Monks said the Trade Union Congress would seek to lower the threshold.

The threshold represented a victory for the Confederation of British Industry, a more-moderate business lobby that has



Deborah Parry, concealed by a blanket from the press, is hustled through Gatwick Airport on Thursday by her sister, Sandra Ashbee.

2 Nurses, Back on British Soil, Are Assailed on Sale of Stories

The Associated Press

LONDON — Two British nurses convicted in the murder of an Australian colleague in Saudi Arabia returned home on Thursday to a welcome mixed with castigation for selling their stories to tabloid newspapers.

The two — Deborah Parry, convicted of murdering Yvonne Gilford, and Lucille McLauchlan, convicted of being an accessory — left Gatwick Airport without commenting to the press. They were freed by King Fahd as "an act of mercy" while still considered guilty by the Saudi authorities.

Miss Parry, 39, left with representatives of London's Express newspaper, and Miss McLauchlan, 32, was whisked away by helicopter to her native Scotland where she faces charges of fraudulently using a dying AIDS patient's credit card before leaving to take the Saudi contract.

Miss Parry's lawyer, Rodger Pan-

none, said that his client, who has sold her story for a reported £60,000 pounds (\$96,000), was "too exhausted" to talk.

Miss Parry was convicted of fatally stabbing Miss Gilford, 55. She was spared after Miss Gilford's brother waived his right to demand the death penalty under Islamic law in exchange for £750,000 paid by British businesses in Saudi Arabia.

Miss McLauchlan, who has sold her story to the Daily Mirror for what the newspaper calls a "substantial sum," was sentenced to eight years in prison and 500 lashes.

■ 'Blood Money' for Nurses?

The brother of Miss Gilford said Thursday that the two nurses convicted of the killing had accepted media "blood money" for telling their stories to newspapers. Reuters reported from Adelaide, Australia.

sought to influence government policy rather than oppose it outright. The threshold "ensures that union recognition will only happen when workers overwhelmingly want it," said John Cridland, the group's human resources director.

Mr. Cridland also welcomed the fact that small companies with fewer than 20 employees would be exempt from the

new regulations, and that individuals would be allowed to strike separate deals with employers even in unionized companies.

Unions in Britain currently have about 6.8 million members, or about 30 percent of the work force, down from a peak of more than 12 million, or more than 60 percent, in 1980.

ASIA/PACIFIC

India Turns Down Heat In Post-Test War of Words
Moratorium on Nuclear Blasts AnnouncedBy Kenneth J. Cooper
Washington Post Service

NEW DELHI — India pulled back on Thursday from a series of heated diplomatic exchanges made in the aftermath of its nuclear tests last week and sent conciliatory signals to Pakistan, China and the United States.

New Delhi also delivered an even broader message to critics around the world, announcing a moratorium on nuclear tests and restating a willingness to negotiate an agreement on a formal ban.

"Now there is a moratorium on tests," said Brajesh Mishra, a senior government official. "We would like to formalize this moratorium into a formal obligation. We are prepared for those talks."

The diplomatic overtures marked a shift in the post-testing posture of the coalition government led by the Bharatiya Janata Party, which has as one of its goals the projection of a strong India internationally. The government of Prime Minister Atal Bihari Vajpayee underscored the import of its new conciliatory stance by substituting Mr. Mishra, Mr. Vajpayee's top aide and a former ambassador to the United Nations, for a Foreign Ministry spokesman at a regular briefing.

Escalating recriminations between India and Pakistan about each other's intentions in Kashmir had sounded provocative enough to raise fears in both countries of a third war over the disputed Himalayan territory.

"There is no question of a war with Pakistan," Mr. Mishra replied when an Indian journalist asked whether India would bomb camps of suspected militant insurgents inside Pakistan. "We're not going in for a war with Pakistan."

The cabinet minister in charge of India's domestic security, Home Minister L. K. Advani, warned Pakistan on Monday against trying to boost a separatist insurgency in the Indian-controlled part of Kashmir.

Prime Minister Nawaz Sharif of Pakistan responded Tuesday with an accusation that India had threatened to

attack the part of the territory under Pakistan's control.

In more diplomatic language than Mr. Vajpayee used Wednesday after he visited the nuclear testing site, Mr. Mishra repeated an offer to resume bilateral talks with Pakistan, which broke off last year over the Kashmir issue. He said that Mr. Vajpayee's condescending statement that the bilateral talks could continue if Pakistan approached India first, only meant that India awaits Pakistan's response to an unspecified proposal that a previous coalition government made in January.

Mr. Mishra also sought to ease tensions with China, which has criticized the nuclear tests and charged India with occupying Chinese territory in India's far northeast. Pakistan's top diplomat returned Wednesday from Beijing, where he sought security guarantees from China, according to Asian diplomats. "We want to have very good relations with China," Mr. Mishra said.

Indian analysts have consistently described the nation's larger neighbor as more of a security threat than the smaller Pakistan, which India has defeated in three wars since 1947. The testing may have fulfilled part of India's yearning for more international respect as the second most populous country in the world. China's comments were its first ever about India's nuclear program, according to Jasjit Singh, director of the Institute for Defense Studies and Analyses in New Delhi.

Concerning the United States, Mr. Mishra characterized as "regrettable" heated exchanges that included the State Department accusing India of duping American officials about its nuclear testing plans and condemning Mr. Advani for his remarks about Pakistan. India had responded by charging State Department officials with using diplomatic language.

"We hope that is behind us" and "more normal interaction would be possible from now on," Mr. Mishra said.

■ Afghan Envoy Condemns Tests

Afghanistan's Taliban government on Thursday denounced India's nuclear tests



Indian soldiers standing guard on shattered ground at the Pokaran nuclear test site. Meanwhile, a militant Hindu group vowed to celebrate the blasts by spraying dust from the test zone around the country.

as a threat to the Islamic world, Reuters reported from Islamabad, Pakistan.

"We totally condemn the Indian nuclear tests," the ambassador to Pakistan, Abdul Hakim Mujahid, said in Islamabad in the first Afghan reaction to the blasts.

"We consider it an action not only against Pakistan but against the whole Islamic world," he said. Mr. Mujahid said he wondered why

Islamic countries were not taking any action against India for the blasts.

"If Pakistan had done this, the whole world would have turned against it, but we do not see any effective hlokkade against India," he said.

The Taliban government, which controls more than two-thirds of Afghanistan, is recognized only by Pakistan, Saudi Arabia and the United Arab Emirates.

BRIEFLY

Bury Marcos Past, Estrada Urges

MANILA — President-elect Joseph Estrada announced Thursday that he would allow the late dictator Ferdinand Marcos to be buried in Manila's Heroes Cemetery because it was time to entomb the past.

"If we can forgive the Japanese who raped many of our women, why can't we forgive President Marcos for all his sins, if ever there are any?" Mr. Estrada said.

Mr. Marcos's remains are kept in an air-conditioned, glass crypt in his hometown of Batangas, north of Manila.

Mr. Marcos's successor, former President Corason Aquino, who blamed him for the murder of her husband, Benigno Aquino, refused to allow Mr. Marcos to be buried in Heroes Cemetery. (Reuters)

Beijing Detains Rights Activist

BEIJING — A leading democracy advocate who recently helped set up a human rights monitoring group was detained for 24 hours, and his fax machine, papers and letters and other items were confiscated.

Qin Yongmin, a 45-year-old resident of Wuhan in central China, said Thursday that public security agents arrested him at 8 A.M. Wednesday. He said two colleagues were also held overnight. (NYT)

Rockets Hit Kabul

KABUL — The Afghan capital came under rocket attack Thursday, but there were no immediate reports of casualties, residents said.

Three Soviet-made "Uragan" rockets, which have an effective range of about 70 kilometers (45 miles), landed in northeast Kabul, they said. One rocket landed inside the airport perimeter, but did not damage the runway. (Reuters)

A Clean Beach? In the EU, Try Greece and Italy

BRUSSELS — Vacationers seeking the cleanest bathing waters in the European Union should head for Greek and Italian beaches or Irish and Austrian lakes, according to the European Commission's 1997 bathing water report.

Nineteen out of 20 Greek coastal sites and 18 out of 20 Italian sites were described in the report as having excellent quality bathing waters. At least 17 out of 20 freshwater sites in Ireland and Austria met these standards.

But in general, bathers should head for the sea this summer if they want to find clean water.

With the exception of Ireland and Finland, all countries in the 15-nation bloc recorded better results for sea beaches than for freshwater sites.

Danish beaches scored high marks, followed by the Dutch, Spanish and Irish coasts. Belgium was at the bottom of the list, with only 20.5 percent of its beaches making the high-quality grade, although for the first time 100 percent of coastal sites met minimum standards.

Below that level, the European Union considers water to be too polluted with feces, oil and chemicals to be fit for swimming.

Other laggards included Britain, where more than half the beaches failed to qualify as high quality. France, Germany and Portugal also fared poorly.

Several states failed to meet even minimum standards of cleanliness or monitoring. Finland and Sweden came out worst, with 34 percent and 20.4 percent respectively.

Over 90 percent of European coastal areas respected minimum standards, but 20 years after a bathing-water law came into force only four-fifths of the beaches had high-quality water.

There have been improvements in the cleanliness of Europe's vulnerable lakes and rivers. In 1996, only a third met minimum requirements. By 1997, nearly 80 percent complied.

Ireland and Austria had the most sparkling streams, with Danish, German and Italian inland waters not far behind.

But the commission lashed out at Portugal and Greece, where freshwater quality has deteriorated to the point where more than half the inland sites are breaking the law.

Spain, the Netherlands, Sweden and France also had violations.

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Chinese Campaign Money

The story of the White House and its Chinese campaign money will not die, for the simple reason that there is too much evidence of wrongdoing to be suppressed or ignored. The House speaker, Newt Gingrich, is right, beyond argument, to demand a full investigation of the export of sensitive technology to China at a time when both the Chinese government and an American technology company were pouring money into Democratic accounts. But we differ with Mr. Gingrich when he says that the issue "has nothing to do with campaign finance" and is solely about national security.

Based on evidence already public, the security aspects of this mess cannot be separated from fund-raising conducted by President Bill Clinton and Vice President Al Gore. Mr. Gingrich is also wrong when he says that a House select committee is the best place for such an inquiry. The best choice remains an independent counsel who would take over the investigation of the Democrats' connection to Chinese money that is already under way at the Justice Department.

It is, admittedly, a complicated situation that has to be examined in sections. One section has to do with President Clinton's decision to overrule the State Department and liberalize the rules under which American companies like Loral Space & Communications could work with China on launching communications satellites.

This policy change benefiting Loral came as its chief executive, Bernard Schwartz, was giving huge donations to various Democratic campaign committees — \$632,000 in advance of the 1996 elections, making him the single largest donor to the Democrats — and after he went to China with then-Commerce Secretary Ron Brown. It has now been determined by federal investigators that the FBI and Senator Fred Thompson were right in warning that the Chinese government was sneaking money to the Democrats.

The key question is whether there were violations of the laws that make it illegal to exchange policy decisions for contributions.

Attorney General Janet Reno wasted a year before she unleashed a competent Justice Department team on this question. In the last few months, that team has produced much of what we now know. But the latest information is so serious that Ms. Reno's best service

now would be to forbid the pending transfer of Charles LaBella, the lead prosecutor, and to appoint an independent counsel to supervise the entire case. The intent of the Independent Counsel Act is clear. When so much troubling information comes so close to the White House, the attorney general cannot be in charge of investigating her own boss.

In our view, the appointment of an independent counsel would obviate the select investigative committee proposed by Mr. Gingrich. Such a committee would be split by partisanship, and should proceed only if Ms. Reno continues to block the appointment of an independent counsel.

However the China investigation is handled, we must not lose sight of the connection between the current mess and the campaign finance legislation that Mr. Gingrich is perverting trying to hurry. Weak laws invited the scandalous practices of the 1996 campaign. Big contributions from corporations, individuals and unions with an interest in foreign and domestic policy decisions flowed to both Republican and Democratic campaigns. Now, at last, the House is to begin the debate on campaign legislation that the speaker was forced to schedule.

The biggest threat to reform lies in an attempt by Mr. Gingrich and others to draw out the process throughout the summer, possibly with hundreds of amendments. Other foes of change may try to fool the public by substituting meaningless reform, such as yet another commission to study campaign finance.

We continue to support a House measure sponsored by Christopher Shays of Connecticut and Martin Meehan of Massachusetts as the best way to clean up the system. It would ban open-ended "soft money" donations to the parties, as they are now banned for candidates, and apply existing fundraising limits to broadcast campaign ads sponsored by independent groups.

Mr. Gingrich has assigned the job of derailing the Shays-Meehan bill to the Republican whip, Tom DeLay. Mr. DeLay has summed the situation up perfectly. "Money is not the root of all evil in politics," he said. "In fact, money is the lifeblood of politics."

No serious person can argue that Americans want the system to work that way.

—THE NEW YORK TIMES

A Tobacco Bill

Will the Senate majority leader, Trent Lott, force a tobacco bill past the resisters in his own party this week, or will he allow the matter to be put off until after next week's Memorial Day recess, meaning until June?

The question is of more than academic interest. The longer the Senate takes to finish the bill, the longer it will apparently be before the House begins to get its fragmented act together. But there are not that many legislative days left in this Congress. The members will work through June, take a week off in July for the Independence Day holiday, take their usual August vacation, return after Labor Day and adjourn, they hope, after the first full week in October.

Delay thus begins to matter, the more so because the tobacco bill is not alone. The House, for example, will only begin work on campaign finance reform this week; it is scheduled to finish after the recess. It has only begun work on the budget as well; the Budget Committee will report out a resolution this week, but there remains the floor — and conference — for that as well.

The appropriations process awaits the budget resolution. It was not even entirely clear that the two houses would complete work on the highway bill before going home — or that, in their likely form, all parts of that bill will deserve to be enacted.

Neither house has dealt with the tobacco issue in the organized fashion that the subject warrants. The lack of an orderly process was evident when the Senate took up the bill this week. The Commerce Committee, to which Mr. Lott had assigned the task of writing the bill, included a section meant to compensate tobacco farmers and their communities for the damage they will likely suffer if the measure is successful in reducing smoking.

—THE WASHINGTON POST

Getting Down to Business With the Cool Kiriyenko

By Jim Hoagland

MOSCOW — Sergei Kiriyenko is a man you can do business with. In fact, he wishes you would. And soon.

Mr. Kiriyenko is the new, already embattled prime minister of Russia. In office a month, he is fighting off attacks on the ruble, trying to attract new foreign investment (yours is welcome) and declaring war on waste, fraud and abuse in the Russian budget.

For Mr. Kiriyenko, the chief business of Russia is business, not big-power geopolitics or ideology. He fits the famous formula that Margaret Thatcher used to express early confidence in Mikhail Gorbachev far better than the former Soviet president ever did. Unlike any previous top leader here, Mr. Kiriyenko has actually experienced the ups and downs of working in the free market as a banker and an oil company executive.

On Wednesday, Mr. Kiriyenko quickly took control of the first interview he has given a foreign journalist since being confirmed in office by a hostile Duma to reassure nervous investors, foreign and domestic, about the state of the Russian economy and the firmness of spine of his new government.

He promised to indemnify or otherwise protect foreign shareholders adversely affected by a new Duma law

reducing their holdings in Russian utilities. He ruled out a devaluation of the Russian ruble, which came under attack this week and had to be defended by the central bank. And he emphasized throughout the 30-minute conversation that his young, reform-minded government was here to stay, despite widespread doubt in Moscow that this 35-year-old technocrat will last out the year under the mercurial Boris Yeltsin.

"This government does have the will to secure its own interests," Mr. Kiriyenko said in his precise, cool way. "It is important that no one doubt this government's seriousness" and determination to undo the budgetary tangles that did in his predecessor, Viktor Chernomyrdin, who was peremptorily fired by Mr. Yeltsin in late March.

Physically, the stolid, gray Chernomyrdin was the central casting vision of a Soviet apparatchik. When I interviewed him a year ago at the Russian White House, we met in the vast meeting room where the prime minister chairs the Russian cabinet. Mr. Chernomyrdin spent our talk hurling verbal thunderbolts at NATO's expansion and speaking unpersuasively about economic reform.

Mr. Kiriyenko comes from a different era and mind-set. Seated in his office overlooking the Moscow River, he spoke with a detailed and specific command of the day's interest and currency rates, and praised the "classical measures" the central bank took in raising short-term interest rates sharply to steady the markets, which calmed Wednesday.

Mr. Yeltsin reached far across generational, political and temperamental divides to elevate Mr. Kiriyenko from his post as energy minister, where he had been less than a year. Mr. Kiriyenko, who went from university to private enterprise in the Volga River city of Nizhni Novgorod, added to the cabinet new faces who also have practical experience in Russia's fragile free-market economy in the provinces.

Those appointments, and my conversation with Mr. Kiriyenko, suggest that President Yeltsin at some point a few months ago recognized that the Russian economy had reached a dead end and needed a dramatic new start. It is said in Moscow that he was pointed toward Mr. Kiriyenko by former Prime Minister Yegor Gaidar and Anatoli Chubais, the abrasive ex-privatization chief who took the opportunity of the April change to leave the government.

With refreshing candor, Mr. Kiriyenko acknowledged that the abruptness of his appointment and his battles with the Communist-dominated Duma had contributed to the economic turbulence that has hit Russia. Equally damaging, he said, was "the new wave of the Asian crisis, which keeps investors cautious."

A quarter-smile plays at the corner of his mouth as he speaks. His is a well-ordered mind dealing with a chaotic situation. Mr. Kiriyenko gives the impression of knowing exactly what his last sentence will say when he begins a paragraph.

Mr. Kiriyenko hopes to carve out the same privileged relationship with Vice President Al Gore that Mr. Chernomyrdin enjoyed. "I spoke to Vice President Gore on the telephone this week, and we began to make plans to meet in Moscow this summer," Mr. Kiriyenko said.

Although he is satirized here as a boy scout dropped deep into a threatening jungle with little training, Mr. Kiriyenko's youth and inexperience are seen as assets by some serious students of Russia. "There is some experience that is worth not having," says a U.S. official delighted to deal with Mr. Kiriyenko after making a career of dealing with people formed in the Soviet era.

The Washington Post.

War or Peace in Colombia: U.S. Can Make the Difference

By Bernard Aronson

WASHINGTON — The

United States soon will make a fateful decision about Colombia. We Americans will either help launch an international peace process that could end that country's 30-year guerrilla war — a war that last year claimed more than 6,000 lives.

Or we will get deeply involved in prosecuting that war and risk allying ourselves with paramilitary forces that recently massacred 21 civilians, including a 4-year-old, in a remote village in guerrilla-controlled territory.

The stakes for the hemisphere are high. Colombia supplies 80 percent of the world's cocaine. It is also the only country in Latin America whose guerrilla armies are growing stronger. They now control more than one-third of the nation. As the war expands, it risks spilling across the border into Venezuela, the No. 1 oil supplier to the United States.

Nevertheless, there are reasons for optimism. For the first time, a national consensus unites Colombian society in support of a negotiated settlement. In recent weeks, also, leaders of the largest

guerrilla army have sent messages to Washington that they support a negotiated settlement. The guerrillas offer, as part of an overall political settlement, to end all ties to drug trafficking and to cooperate in promoting alternative economic development for the peasants who grow coca leaf and poppy in the regions under guerrilla control.

Moreover, the candidate positioned to win Colombia's presidency in the May 31 election is Andres Pastrana, who four years ago blew the whistle on drug cartel campaign contributions to the current president, Ernesto Samper. Mr. Pastrana narrowly lost to Mr. Samper in that election. If he defeats Mr. Samper's handpicked candidate, he will wield the moral and political authority necessary to garner international backing for a peace process and to negotiate credibly with the guerrillas.

There are also grave dangers. As Mr. Pastrana looks more like a winner, the drug traffickers may decide to assassinate him.

In 1990, the cartels murdered the leading anti-drug candidate. Attention should be paid.

Unfortunately, the U.S. Congress and the administration are embroiled in an election-year argument about who is "soft" on Colombian narco-trafficking. Pressure is mounting on the administration to provide anti-insurgency training, intelligence and aid to help the beleaguered Colombian army defeat the guerrillas in the name of fighting drug trafficking.

The army may need some short-term assistance following recent guerrilla victories. But the Colombian armed forces have not been able to defeat the guerrillas over three decades under eight different governments, and they will not defeat them in the foreseeable future at any acceptable political and moral cost, regardless of U.S. assistance.

The war is being waged, also, by irregular paramilitary forces — some led by drug traffickers and smugglers — which have massacred civilians accused of

being guerrilla sympathizers. Allying with them would recall the worst days of El Salvador.

The war has fostered instability, violence and a weak government with little or no authority over much of the countryside. That is the sea in which the drug traffickers swim. Widening the war will not reduce drug trafficking. Ending the war through negotiations would allow Colombians for the first time to isolate the drug cartels and their corrupt political allies.

The guerrillas began as committed Marxist-Leninists and currently finance their operations through kidnappings, extortion of oil pipeline companies and protection money from drug traffickers. No strategy for peace in Colombia should romanticize them. But before we start down the slippery slope of counter-insurgency, the guerrillas' offer to cooperate in ending coca leaf production in their zones should be tested seriously.

As we saw in El Salvador, Guatemala and now, perhaps, in Northern Ireland, there comes a time in the life of nations racked

by bloody civil conflicts when the combatants grow weary of warfare, the larger society is pressing for peace, new political leaders emerge and the chance to gain concrete reforms through negotiation brings all sides to the bargaining table. Such a moment may have come to Colombia.

A successful peace process will require the active involvement of the UN, including, eventually, the deployment of peacekeepers. It also will require the participation of Latin American and European nations that have influence with the parties, as well as substantial resources from the development banks and donor nations to help substitute legal crops for coca, to finance reform of Colombian institutions and to restrain former combatants. In the end, peace will depend foremost on Colombians. But now, as in the past, U.S. leadership will be indispensable.

The writer was assistant secretary of state for inter-American affairs from June 1989 to July 1993. He contributed this comment to The Washington Post.

A Practical New Generation Works to Get Africa Going

By Flora Lewis

WINDHOEK, Namibia —

The meeting's slogan was "African renaissance." But Africa is experiencing more of an awakening, a sense of urgent need to join the producing world, and is accepting the fact that major efforts must come from Africans themselves.

Self-promotion is to be expected at a gathering of political and business leaders such as the just-concluded World Economic Forum's 1998 Southern Africa Economic Summit. But a new air of optimism and a candor about past failings gave substance to the hopes.

Hassan Ba, a 32-year-old Senegalese who heads a Geneva-based organization called Synergies Africa, embodies the spirit of change.

"A new decolonization has just begun," he said. "The first was artificial, but four phenomena are bringing new circum-

stances." He lists the major elements of transformation as the spread of education; urbanization, which opens societies; emigration and travel, and modern communications. Even remote villages now often have access to television and radio.

"This is producing a new generation with fewer complexes toward the West, one that didn't live under colonialism and is ready to be self-critical, more mature," he said.

In his view, the main catalysts for change have been the shift of regimes in South Africa and the end of the Cold War.

With the Cold War's end came a disengagement of the West from Africa, which Mr. Ba said was "good for us" — the rising generation — if not for the regimes that lived by playing off the superpowers.

Not since the beginning of colonialism has Africa felt so marginalized. It was a major stake in the 19th century fight for imperial turf, and in the superpower conflict in the second half of the 20th century. That is over, and people are coming to recognize that being left out means growing ever poorer, especially as populations explode. They want back on the international agenda, but as partners, and they welcomed President Bill Clinton's recent trip.

"Nothing has been won yet," Mr. Ba said. "The key is leadership."

Peaceful African development was the theme of the former Nigerian leader Olesogbo Obasanjo. How uncertain this goal remains is underscored by the fact that he is imprisoned by his country's dictator.

Still, more and more voices are speaking out in Africa, and it is now definitely out of fashion to attack democracy and the free market.

Botswana's president, Festus Mogae, expresses a conviction that can make a profound difference if it becomes more widely accepted. He considers democracy and free speech a modern version of the tribal tradition of consultation — therefore not some alien Western value but a truly indigenous one, part of the cultural heritage.

Botswana has long been the exception to the steady degradation and mismanagement of postcolonial Africa.

Namibia, the last colony to gain independence, has been learning from other's examples — or mistakes, said Prime Minister Hage Geingob.

He acknowledged that during the long guerrilla war against South Africa, the dominant rebel group, SWAPO, was Communist-aided and inspired.

"But the reality of struggle is different from the reality of governance," he said. "We understand that."

In private, at least, there is general distress that the new leader of Congo, Laurent Kabila, has not grasped the point — not only because Congo remains disaster-land but because

his failings tend to reflect on other nations at a time when they are seeking a better image to attract investment.

That is a persistent African complaint: that the rest of the world lumps its varied countries together and fails to distinguish the better performers.

On that score the summit meeting's Africa Competitive-ness Report — which ranked 23 countries on their prospects and growth — was applauded, even if it provoked complaints, particularly from South Africa, that it was unfair and subjective on some issues. Mauritius, Tunisia, Botswana and Namibia were the top four. South Africa did not like being rated seventh, but by their nature the rankings spur competition.

At the same time, there is mounting emphasis on the need for regional cooperation to make better use of development projects and to have more bargaining power. There does seem to be a fair consensus now on what African countries need to do. The problem, and it is colossal, is how.

The new generation is starting to push hard. Said Prime Minister Geingob: "We want to move Africa from a continent of war and turmoil to a continent of people who are tired of suffering and ready to work."

Flora Lewis.

Nike Still Has Long Strides to Make

By Bob Herbert

NEW YORK — Let's not be too quick to canonize Nike.

Philip Knight, Nike's multi-billionaire chairman and chief executive, managed to generate a lot of positive press last week when he announced that independent organizations would be allowed to inspect the overseas factories that make his company's products, that he would toughen the health and safety standards in the factories and that he would crack down on the use of child labor.

There is both merit and a lot of smoke in Mr. Knight's initiative.

The admission into the plants of truly independent observers from local nongovernmental organizations would be a great advance.

The proposed improvements in health and safety standards, which would bring them in line with U.S. standards, are also important. Footwear factories are equipped with heavy machinery that can cause serious injury, and much of the raw material used in the factories is toxic.

Mr. Knight's child labor initiative is another matter. It is a smoke screen. Child labor has not been a big problem with Nike, and Philip Knight knows that better than anyone. But public relations is public relations. So he announces that he is not going to let the factories hire

kids, and suddenly that's the headline.

Mr. Knight is like a three-card monte player. You have to keep a close eye on him at all times.

The biggest problem with Nike is that its overseas workers make wretched, below-subsistence wages. It's not the minimum wage that needs raising, it's the minimum wage.

Most of the workers in Nike factories in China and Vietnam make less than \$2 a day, well below the subsistence levels in those countries. In Indonesia the pay is less than \$1 a day.

No wonder Mr. Knight has billions. Human rights organizations have been saying that Nike's overseas workers need to make the equivalent of at least \$3 a day to cover their basic food, shelter and clothing needs.

Nike has not been listening. Mr. Knight, in fact, has been trumpeting a recent pay increase that Nike's Indonesian workers received. It was less than \$3 a month. Even with the increase, the workers are making less than \$1 a day.

Nike blinked because it has been getting hammered in the marketplace. As Mr. Knight put it, "The Nike product has become synonymous with slave

wages, forced overtime and arbitrary abuse."

You bet. And the company's current strategy is to reshape its public image while doing as little as possible for the workers. Does anyone think it was an accident that Nike set up shop in human rights sinkholes, where labor organizing was viewed as a criminal activity and deeply impoverished workers were willing, even eager, to take their places on assembly lines and work for next to nothing?

The abuses continue, even as Mr. Knight spends untold millions trying to show what a good guy he is. Two nights ago I spoke by phone to a woman in Vietnam named Lap Nguyen. She was called to my attention by Thuyen Nguyen (no relation), who runs Vietnam Labor Watch, an outfit that keeps a sharp eye on Nike.

Lap Nguyen worked in a factory that made Nikes. She made the mistake of speaking to American television reporters about problems on the job. Despite an excellent employment history, she found herself demoted from team leader on an assembly line to toilet cleaner — a task, she said, that made her feel "ashamed." Last month she was forced to resign.

Nike has still got a long way to go.

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Lull in the War

NEW YORK — There is a move in the game of checkers when the last piece on the losing side is placed in a corner and can be moved to and fro but cannot get out and cannot be taken. Such is the position of the Spanish fleet. Although the American ships are all kings, and can move in any direction, they seem unable to drive the Spaniards out of their corner and end the game. This difficulty has caused a lull in war news, so that a stranger arriving in New York to-day [May 21] would never know that a state of war existed.

1923: Italy's 'Miracle'

ROME — "Signor Mussolini is not a dictator. He is a trustee who has assumed responsibility for Italy's future, and who will relinquish power as soon as the country is restored to its former diligence and soundness," de-

clared Mr. Irving Bush, the well-known American business man, to-day [May 21] after a week of intensive study of the Italian situation. "My impression of Signor Mussolini is extremely favorable," he said. "I can say that my lasting impression is of a man who has made Italy get to work. That is no less than a miracle."

1948: State Takeover

BELGRADE — Hundreds of privately-owned retail stores were closed by government order to-day [May 21] as the state wiped out one of the last vestiges of private enterprises. The government acted swiftly. Officials arrived during the morning and notices were put in the display windows to the effect that the stores were nationalized. Then books and records were confiscated and an inventory of goods was begun. By a slow process of economic strangulation, the merchant class has dwindled sharply.

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OPINION/LETTERS

It's Time to Rein In Snooping Squads

By William Safire

WASHINGTON — When Monica Lewinsky telephoned Linda Tripp, the White House intern, what was the law? A reasonable expectation of privacy? A right to assume she was not being surreptitiously recorded?

That means Ms. Tripp's secret taping of Ms. Lewinsky's declarations about her relationship with the president was not only faithful (and in certain jurisdictions, unlawful) but profoundly unethical. She diminished her friend's personal freedom.

Turn now to the recording of Webster Hubbell's jailhouse telephone conversations with his wife. That felon, a former associate attorney general, had no reasonable expectation of privacy on that phone; on the contrary, a large sign in English and Spanish made it clear that anything the prisoner said could be recorded and used against him.

We punish criminals by taking away their freedom and most of their privacy. They retain a shred, through use of an unmonitored line to consult with lawyers, but their punishment is the denial of freedom.

That is why I, a privacy nut even before having been wiretapped a generation ago, had no problem with congressional revelation of the White House squeeze being put on Mrs. Hubbell to make sure her husband-upturned rolled over one more time.

As for Mr. Hubbell's so-called exculpatory comments not being released at first, they were examples of what FBI agents call "ticking the wire" — when someone, knowing he is being overheard, tosses in self-serving statements.

Turn now to example No. 3: the release by the Pentagon of information to a reporter showing that Linda Tripp did not reveal on her clearance forms that she had been arrested and released after a prank at the age of 19.

Although the Clinton witness-intimidation brigade may have triggered the original query, I do not believe that the White House leaned on the Pentagon to confirm the reporter's story.

Kenneth Bacon, the defense official responsible, tells me, "I made a mistake, given the Privacy Act, and should have taken it to the lawyers."

But a wrong was done. Defense Secretary William Cohen ordered his inspector-general to investigate. Those responsible should be

reprimanded, the victim should receive a public apology, and Mr. Cohen should make it clear that no such leakage will be tolerated.

Multiply that intrusion by 900 and you have Filegate. That unprecedented raid on FBI files by the former tavern bouncer hired by the Clintons was ostensibly to "vet" personnel, but more likely it snooped into the private lives of former White House employees.

When the log of requests for these FBI dossiers on Republicans showed six months turn out, the ensuing uproar caused the conflicted attorney general to refer this wholesale invasion of privacy to the independent counsel, Kenneth Starr.

His investigation has languished for two years, even as we have seen Clinton private operatives digging up dirt from non-FBI sources. But no indictments or exonerations have come from Mr. Starr. All those whose reasonable expectation of privacy was denied see dereliction of prosecutorial duty.

Carry this reasonable expectation into your own home. Suppose you use your credit card to pay for a porno flick; you do not expect this to make you a target for late-night calls from every smut peddler who buys your number from the plastic list. Or suppose you are surfing the Internet; you do not want your curiosity monitored by a cyberstalker who makes you a target of telemarketers.

The Republican Party is missing the boat on this libertarian concern; for a year, the chairman of the House telecommunications subcommittee, Billy Tauzin of Louisiana, has been blocking a bill by the ranking Democrat on the subcommittee, Ed Markey of Massachusetts, to give Internet users the ability to detect and block cyberstalking.

Vice President Al Gore sees the appeal in protecting the Internet generation from unwanted commercial snooping and is calling a low-peak "privacy summit."

But Mr. Gore is in a policy bind: If he supports encryption, which is the name of the electronic privacy game, he infuriates FBI datatappers. So he waffles.

We must demand that government set the example in snooping restraint. If Americans allow themselves to lose their expectation of privacy, they would then lose privacy itself — and the essence of personal freedom is that right to be let alone.

The New York Times

Things Beyond Knowing, Things Beyond Our Universe

By John D. Barrow

NEW YORK — The recent discovery of huge bursts of gamma radiation coming from far away in the universe is one of those mind-stretching advances that astronomers seem to be making with increasing regularity.

Like so many of the greatest discoveries of modern astronomy, such as pulsars and quasars, gamma-ray bursts were entirely unexpected when they were first seen a few years ago.

Astronomy seems to be in a golden age of discovery. Surely, some people may think, the pace will slow down. There are technical limitations, and eventually our telescopes will not get any better.

But there are also more fundamental limits to what we can know about the universe. The greatest scientific advances usually follow a distinctive path: What begins as a tentative hypothesis gradually becomes a more coherent body of ideas. Eventually, the theory becomes so successful at providing explanations that some enthusiasts begin to predict that they

will be able to use it to explain everything. But then at some point, the theory shows that we cannot determine certain things.

This happened with quantum theory when Werner Heisenberg predicted that we cannot exactly determine the location and motion of any particle of matter, even with perfect instruments.

Similarly, Albert Einstein revealed that relativity predicts that there is a limit to the speed with which we can receive, transmit or process information.

The great logician Kurt Gödel taught us that even in mathematics, the subject that seems to leave no room for uncertainty, there must be some statements whose truth or falsity can never be decided. In the same vein, Alan Turing, the inventor of computer science, showed us that there are operations of which we can conceive that no computer can carry out.

If we look to the stars, what might the limits be? All the information that we receive from the stars travels at the speed of light and no faster. Paradoxically, we

never see things as they are now, only as they were when their light was emitted. This means that there is a fundamental limit to how much of the universe we can see at any given time.

Light has been able to travel only about 13 billion light-years since the expansion of the universe apparently began. This

our understanding of the cosmos would have been regarded as the pedantry of awkward philosophers. But in recent years the most attractive theory of the evolution and structure of our universe — the so-called inflationary universe — predicts that the universe is radically different beyond our horizon.

Past the cosmic 'horizon,' even things like the number of dimensions of space or forces of nature might be different.

dictates a cosmic "horizon" beyond which we cannot see, even with perfect instruments. There may be an infinite amount of universe beyond the horizon, but we cannot see it, we cannot receive any signals from it and we cannot tell whether it is just like the part of the universe that we can see.

Until quite recently, this type of limit to

dimensions of space or forces of nature might be different there.

This ensures that we can never know whether the entire universe had a beginning, whether it is infinite or finite, or whether it is doomed to end someday. Astronomers can tell us only about the universe within our horizon.

But do not despair: It is 13 billion light-years across, and what it contains is more than enough to keep astronomers occupied for another 13 billion years.

The writer, director of the Astronomy Center at the University of Sussex in Brighton, England, is the author most recently of "Impossibility: The Limits of Science and the Science of Limits." He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

India's Nuclear Tests

So now India has sent its message with a bang. The consequences may be one of two: One would be the escalation, regional and global, of the nuclear arms race — devouring trillions of dollars that could be spent on the abolition of poverty — and eventually ending in disaster, whether intentional or unintentional.

The alternative would be to go to the archives of more than a half-century ago, when this drama began with the explosions over Hiroshima and Nagasaki, and to wipe off the dust on the Baruch and Lillenthal plans for nuclear disarmament.

These plans were based on the awareness, which we have lost in the meantime, that it is impossible to control nuclear arms without international controls on the peaceful uses of nuclear energy.

Based on this conviction, Bernard Baruch and David Lillenthal proposed the establishment of an international agency to "own" all nuclear resources anywhere, as a common heritage of mankind, as it were, and to manage and control nuclear developments wherever they took place — to internationalize, manage and control the nuclear industry.

The plans failed, and had to fail, because this nuclear regime was to be imposed and dominated by the only power at the time that had a nuclear arsenal, the United States.

That was, understandably, unacceptable to the rest of the world.

Today, the situation is quite different, but the basic notion of the Baruch and Lillenthal plans remains valid. To take them up again might be the most constructive response to India's challenge.

ELISABETH MANN BORGESE, Halifax, Nova Scotia.

As a Pakistani, I can understand and endorse the Indian leadership's need to acquire nuclear capability. Had Pakistan been fortunate to have had sincere and honest leadership instead of corrupt and greedy politicians, this initiative would have been ours. A foreign policy of appeasement to ensure the security of family-run juntas has reduced Pakistan to a nation of beggars.

TAIMOOR KHAN, Lahore Cantt, Pakistan.

Regarding "India Says Bomb's Power Surpassed All Estimates" (May 18):

The writer says India's five tests were named "Shakti," which he calls "the Hindi-language word for power." "Shakti" means "strength." The Hindi word for peace is "shanti."

AJAY SINGH, Hong Kong.

In Washington there is frustration, even anger; in India, jubilation and a feeling that at last the

A Newcomer Capital

Regarding "After Centuries, a Mayor for London" (May 9):

The writer's claim that London has been the capital city of England since Roman times is of debatable value.

Winchester was the virtual capital of England in the latter years of the first millennium and re-

mained the accepted capital until London emerged as a more important political and commercial center toward the middle of the 13th century under the reign of Henry III.

You can say, then, that London has been the capital of England for more than 700 years, not 2,000.

JESSICA SAVOYA, Geneva.



BOOKS

CITIES OF THE PLAIN: Volume Three, The Border Trilogy

By Cormac McCarthy. 292 pages. \$24. Knopf.

Reviewed by Michael Dirda

AT the close of "All the Pretty Horses" (1992), the wonderful first volume in Cormac McCarthy's "Border Trilogy," 16-year-old John Grady Cole slowly rode west through a barren country, then "passed and paled into the darkening land, the world to come." He has emerged out of 1949 Mexico, having survived boyish adventures, a spell in prison, a forbidden love affair with a wealthy rancher's daughter, the death of a companion and near-mortal wounds from a savage knife fight.

His rite-of-passage story — compared to Huckleberry Finn by critics, admired for its gravely lyrical prose, especially in the description of landscape — earned McCarthy the National Book Award and sudden recognition as one of the finest living American writers.

Despite that best-seller's undoubted mastery, some of McCarthy's long-term fans grouched that "Pretty Horses" had unduly toned down the author's magnificent, occasionally grandiloquent, excess.

In 1994 McCarthy brought out the next, rather longer, installment of his trilogy: "The Crossing." In general outline, the pattern of the second book resembled that of the first: Young Billy Parham journeys three times into Mexico in the early 1940s, endures severe trials, including the death of his beloved younger brother Boyd, and in the end finds himself on a barren stretch of road, utterly bereft. The opening section of the novel — in which Billy captures a wolf and tries to return the displaced animal to its mountain habitat — is a starkly beautiful mini-epic of heroic endurance and disappointment.

In a rare interview the publicity-shy McCarthy was once asked about the relatively upbeat conclusion to "All the Pretty Horses": "You haven't come to the end yet," he answered. "This may be

nothing but a snare and a delusion to draw you in, thinking that all will be well."

"Cities of the Plain" makes clear that the gods have so arranged our lives as to guarantee that nobody is happy very often or for very long. From the very moment John Grady Cole — now 19, working on a ranch in New Mexico with 28-year-old Billy Parham — falls in love with Magdalena, the frail and soulful teenage prostitute of the White Lake brothel, you know that this couple isn't destined to live happily ever after. To add to the sense of imminent doom, the military is about to take over the ranch's land (for its base at Alamogordo), the ways of the cowboy are fast vanishing in 1952 and John Grady clearly possesses a soul too pure for the corrupt modern world. He is like the animals he trains. In a good horse "you can see what's in his heart. He won't do one thing while you're watching him and another when you ain't. He's all of a piece. When you've got a horse to that place you can't hardly get him to do something he knows is wrong."

In several ways "Cities of the Plain" feels quite different from the first two books of the series — more contemporary and urban, narrower in focus, at times over-emphatic. Of course, there are continuities, some subtle, with the previous volumes: Billy calls John Grady "bud" just as Lacey Rawlins used to in "Pretty Horses," and the relationship between the two friends mirrors the earlier one between Billy and his brother Boyd. As usual, McCarthy eschews psychological interiority — we see what people do, rather than listen in on their thoughts. Conversations and descriptions take the place of the stream of consciousness.

Conrad once wrote that a man who is born falls into a dream like a man who falls into the sea. "Cities of the Plain" is largely about our human propensity for such hopefulness and self-delusion.

As Eduardo the pimp tells Billy, "Your friend is in the grip of an irrational passion. Nothing you say to him will matter. He has in his head a certain story. Of how things

will be. In this story he will be happy."

What is wrong with this story is that it is not a true story. Men have in their minds a picture of how the world will be. How they will be in that world. The world may be many different ways for them but there is one world that will never be and that is the world they dream of.

In an epilogue to the main story Billy patiently listens to an old Mexican recount an elaborate parable about life as a series of dreams, each embedded within the next like little Russian dolls. By this time Billy is 78 years old and it is two years into the next millennium. The last novel of "The Border Trilogy" closes with an old man restlessly dreaming about his long-dead younger brother.

To my mind the love affair at the heart of "Cities of the Plain" seems overly conventional, the sort of desolate tragedy commemorated in old pop songs. McCarthy's characters have often been types (e.g., "the kid"), but usually there was a compensating grandeur that lifted them into the mythic. At times John Grady recalls Billy Budd, Dostoyevsky's Christ-like idiot or even Jesus himself — but one feels the strings being pulled.

Though the plot of "Cities of the Plain" may be slightly disappointing, its language, especially in the descriptions of men at work, soars. Billy fixing an inner tube with a rubber-patch repair kit; John Grady cutting a calf out of a herd; the two of them roping wild dogs or rescuing some lost pups: One reads such passages as if they were poetry — and they are.

There are superb scenes of men from the ranch studying the horses at an auction, trading stories of the Old West, or just sitting around a kitchen table.

Of McCarthy's four Western novels I think "Blood Meridian" and "All the Pretty Horses" — as different as they are — deserve their reputations as masterpieces of postwar American literature. To my mind and ear, "The Crossing" is overburdened by its philosophical digressions, and "Cities of the Plain" feels too light with its

thinner texture and familiar story line. But even faulting, somewhat diffidently, these last two books, I would never have wanted to miss reading them. These are grave and majestic novels, resolutely focused on the heartbeats of existence, but striated throughout with fatalistic joshing and sly humor.

Turn to almost any page and you will light upon sharply observed details, painterly descriptions and the sound of real voices. Like the novelists he admires — Melville, Dostoyevsky, Faulkner — McCarthy has created an imaginative oeuvre greater and deeper than any single book. Such writers wrestle with the gods themselves.

Washington Post Service

By Alan Truscon

A GROUP of 60 star bridge partnerships was recently on the auction block in Las Vegas, Nevada. The total Calcutta pool at the Cavendish Invitational Pairs was \$1,112,000, slightly less than it had been a year earlier.

The Calcutta in effect establishes a ranking of favorites. At the top of the list were Pierre Chemla and Christian Mari of France, multiple world champions who were sold for \$55,000. Second at \$50,000 were David Berkowitz of Old Tappan, New Jersey, and Larry Cohen of Boca Raton, Florida.

Another new partnership that will attract attention in the Cavendish is that of Zia

Mahmood of Manhattan and Steve Weinstein of Upper Montclair, New Jersey, who sold for \$47,000. On the diagrammed deal, they lost points to the eventual winners, Richard Schwartz and Keith Garber.

Many players would open five clubs with the North hand, reaching a contract that succeeds easily. But Schwartz bid a modest one club, permitting both partnerships to locate a red-suit fit after the auction shown. Zia's double of two hearts as West was Snapdragon: after three suits have been bid, a double shows length in the fourth suit. This permitted Weinstein as East to bid diamonds at the four-level, and his partner in save in five diamonds would have failed by one

trick, but North very reasonably ventured five hearts. East's double was based on the belief that he had a trick in each black suit, but he was disillusioned.

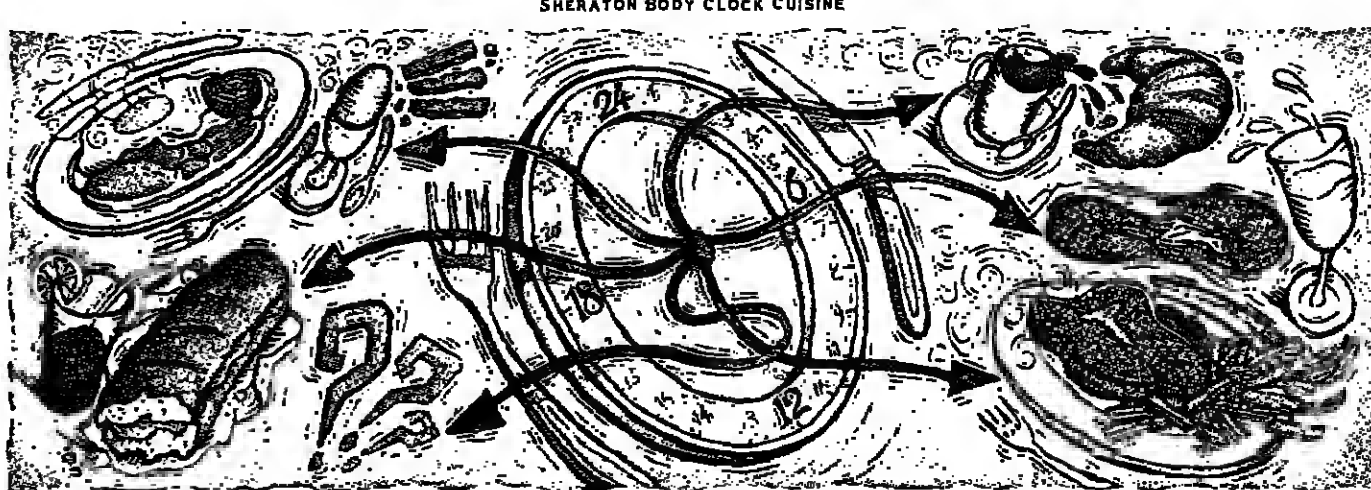
The spade jack was led to the ace, and East shifted in a diamond. Garber put up the king, not so much in hope of winning the trick as because he needed to locate the ace. When the ace was played and dummy ruffed, it was certain that East must hold the club king to justify his vulnerable overcall and double. There was, however, an obvious danger of a bad trump split.

Garber therefore cashed the club ace and led the queen, throwing a diamond when East played low.

West was able to ruff, but that was the end of the de-

fense. South was ready to draw trumps and make his contract.

NORTH (D)		EAST	
♠ 43	♥ A 8 7	♠ A 8 7 4 3 2	♥ A 8 7 2
♦ A 9 7 6 5 4 3	♣ K Q J 10 9 8 7 6 5	♦ K Q J 10 9 8 7 6 5	♣ K 6 5
SOUTH		WEST	
♠ K Q 10 6	♥ K Q J 8 4	♠ K Q J 8 4	♥ K Q 5
♦ K 5	♣ 9	♦ K 5	♣ 9
East and West were vulnerable.			
The bidding:			
North	1♠	East	1♥
1♥	2♥	South	2♠
2♠	3♥	West	3♠
3♠	4♥	East	4♥
4♥	5♥	South	5♥
5♥	6♥	West	6♥



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In Lost Ostia, on the Trail of 2,000 Years of History

By Wilborn Hampton
New York Times Service

OSTIA, Italy — Two millennia ago, this was one of the most important cities in the world, a bustling port that fed and supplied Rome. Today, its ruins offer armchair archaeologists a rare opportunity to wander over 2,000 years of history.

Ostia Antica, so named to differentiate it from the beach at Ostia Lido a few kilometers away, stands at what was once the mouth of the Tiber, about 25 kilometers (15 miles) from Rome. The excavations, covering about 40 hectares (100 acres) and stretching for more than a mile toward the Tyrrhenian Sea, are probably the best preserved and most complete Roman ruins outside Pompeii. They reveal the remains of a wealthy and vibrant metropolis.

But it was not always so. Until this century, Ostia was mostly a lost city. It had its formal beginnings in the middle of the fourth century B.C. as a military base. It was the first colony of republican Rome and became the home port for the Roman fleet. At Ostia, reinforcements from Carthage landed to help Rome in its battle against Pyrrhus in 275 B.C., and from Ostia ships sailed with supplies for the Roman Army fighting Hannibal in Spain during the Second Punic War roughly half a century later.

But with the rise of imperial Rome, Ostia was transformed from a naval base and port into a thriving mercantile center that brought prosperity to its citizens and financed its growth as a cosmopolitan city.

It was Julius Caesar who first had the idea to expand Ostia, already becoming overwhelmed by ship traffic. But not until the reign of Claudius nearly 100 years later was the project undertaken and a new basin dredged in an area now occupied by Rome's Leonardo da Vinci Airport at Fiumicino.

Under the Caesars, money and investment poured into Ostia. A succession of emperors continued the building boom. Augustus was one of the first, contributing an amphitheater that is still a marvel today. Claudius donated a fire department and built luxurious barracks for the firemen. Nero, Domitian, Trajan, Hadrian and Septimius Severus added warehouses, baths, forums and temples.

The city grew rapidly. Marble palaces decorated with frescoes and elaborate mosaics lined the streets, their remains testifying to the sudden wealth it enjoyed.

Four- and five-story apartment houses, residential skyscrapers by Roman standards, went up. Shops, bars, restaurants and markets opened. A stock exchange was established and labor unions were formed. A capitol and curia were built.

Today the city, which has been under excavation for most of the last century, looks the way ruins should: broken columns strewn about, chipped statuary standing on pedestals worn smooth by time, cracked sarcophagi lining the sides of stone roads that were first laid and traveled centuries ago.

VISITING THE RUINS

The ruins are entered from outside the old city walls, along a stretch of the Via Ostiense, the main road that linked the city to Rome. Nearby, on the Via delle Tombe, are the remains of several burial vaults, niches carved in walls around a sort of courtyard to contain cinerary urns. This necropolis is remarkably similar to modern-day mausoleums.

Proceeding into the city proper, the visitor quickly finds that a map or guidebook explaining some of the ruins is essential. Unfortunately, these are not available at the entrance to the excavations. A first-time visitor would be well advised to head straight along the Decumanus Maximus, a boulevard wide enough for two chariots to pass that was Ostia's main drag, to the site's bookshop.

It is near the center of the excavations, at the side of a small museum, where some of the more valuable and delicate discoveries are now housed. Getting there means making a detour

past some ruins you will eventually want to double back to see.

One good book is "Ancient Ostia," which costs about 14,000 lira (\$8). Photographs of the ruins with overlays show what buildings looked like in Roman times. It also suggests some walking itineraries to see the major sites.

One of those is the city amphitheater, a majestic edifice that is also the only ruin that was extensively rebuilt, having been reconstructed in 1940 using its original masonry and brick.

Another of Ostia's most impressive ruins, and one of its mysteries, lies just behind the theater. Called the Forum of the Corporations, it features a double-colonnaded walkway that wraps around three sides of the square behind the theater and contains dozens of small rooms whose floors are covered with some of the best-preserved mosaics in the city.

One site that seems to be a favorite for tourists, and which has been unearthed almost intact, is a wine bar on the Via di Diana, named for an apartment house that takes up most of the block in which a statue of the goddess was found. Known as the Thermopolium, it opened along the street so that passersby could stop and have a glass of Frascati or whatever the special of the day might be.

Venture off the Decumanus Maximus into smaller side streets, and surprises await at almost every turn: Suddenly there will be a statue or a carved

face overgrown with ivy, a little room with its mosaic floor almost intact, a wall with a completely preserved painting like the laurel-crowned charioteer with two horses that adorns one apartment house. Or perhaps a stray cat popping up from a sarcophagus.

On almost every side street are shops complete with display cases and checkout counters. In the Via dei Molini, or Street of the Mills, warehouses (or *horrea*) with giant urns lie still half-buried in the earth where grain and dry goods were stored awaiting shipment on to Rome. There is a discernible laundry, a butcher shop and a fishmonger that still has the fish tanks and a marble table where they were cleaned.

THERE are palazzi where the wealthy lived in splendor with entry courtyards graced by fountains and marble statues, living rooms decorated with wall paintings and kitchens with stoves that resemble modern-day ranges in design. There are thousands of pieces of sculpture retrieved from the city's uncovered houses along with pieces of pottery and alabaster bottles used for oils and other goods.

Almost every neighborhood had its own temple, and many still have fragments of original mosaics and statues. Mithraism was clearly the popular religion as attested by the numerous mithraeums discovered throughout the city.

Other temples have been unearthed as well, including one to Hercules from the first century B.C., which yielded an excellent statue of the hero that is now in the Ostia museum. There are also temples to Venus and Mars and, of course, to Augustus. There is a fourth-century Christian basilica and even a synagogue with giant columns that dates from the first century A.D.

It was all too good to last, of course. After more than eight centuries of life, growing from colonial outpost to naval base to mercantile center, Ostia began to decline in A.D. 314 when Constantine awarded the lucrative port rights by which it thrived to Portus, a few kilometers to the north. Within 50 years, the city's population had diminished by half and its magnificent palaces, apartments, baths, temples and shops were beginning to crumble through neglect.

In another 200 years Ostia was a ghost town, covered by marshy swamp and infested with malaria. Although there were several half-hearted attempts to revive the city over the centuries, Ostia remained only a name in history books until Pope Pius IX ordered some tentative exploration of the area about 100 years ago. In 1909, the Italian government ordered the first systematic archaeological excavations, and to this day, with every unearthed stone, they add to our understanding of a city that once stood next to Rome in grandeur.



On Las Ramblas, a famed thoroughfare, pedestrians can watch performance artists and portrait painters.

Strolling Through Barcelona Spain's Capital of Design Houses the Old and New

By Steven Greenhouse
New York Times Service

BARCELONA — Barcelona is a walker's paradise, especially in spring. It has old and new, sea and mountain, postmodern and primitive.

To saunter through its Gothic Quarter, along the dark, narrow streets and past the ancient artisans' shops, is to be transported back to the Middle Ages. Walk up Passeig de Gracia, past the chic boutiques and the daring, whimsical buildings by Antonio Gaudi. Barcelona's favorite architectural son, and it is easy to appreciate why this city is known as Spain's capital of design. And, of course, there is Las Ramblas, the city's most famous thoroughfare, where people gawk for hours at performance artists, portrait painters, parrots on sale and the parade of pedestrians.

This city spruced itself up considerably for the 1992 Summer Olympic Games, a face-lift that is still paying off. Dozens of old factories and seedy restaurants that blocked access to the waterfront were torn down, creating a Mediterranean beach marvelous for strolling and sunbathing. Near the Old Port are a new aquarium and an Inax theater, excellent diversions for those with children in tow.

After 40 years in which Franco repressed Barcelona, the Catalan language and the culture of the region, this proud city has striven to make Catalan culture flourish again. Scores of townspeople dance the traditional Sardana on Sunday mornings in front of the 14th-century cathedral. In 1995, the city opened the Barcelona Museum of Contemporary Art, a gleaming white sun-drenched building designed by Richard Meier, an American. The government has also put together a delightful walking tour, the Ruta de Modernisme, to showcase Gaudi and other turn-of-the-century architects in the Modernist school who used themes from myth and nature.

THINGS TO SEE AND HEAR The Barcelona Museum of Contemporary Art is staging an exhibition through June 21 of the works of a fast-rising Majorcan artist, Miquel Barcelo. His kinetic canvases cover a vast range of subjects: Saharan landscapes, sumptuous feasts, African flood victims, portraits of friends and animal carcasses.

Many bold-colored paintings and sculptures by Joan Miro, the Catalan artist, are on display at the Miro Foundation, a museum on Montjuic overlooking Barcelona. "Private Fictions,"

an exhibit of 100 photographs by Robert Doisneau, Man Ray, Dora Maar and others, runs through August.

After years of renovation, the National Museum of Catalan Art recently reopened. The museum, in Montjuic Park, has a spectacular collection of 12th- and 13th-century frescoes and altarpieces moved from remote churches in the Pyrenees, and through May 31 is exhibiting works by Francisco de Zurbaran, the 17th-century painter.

On May 28, the pianist Alfred Brendel will play at the Palau de la Musica Catalana. The 2,000-seat hall, designed by Lluís Domènech i Montaner, is one of the jewels of Catalan modernism, with dazzling mosaics and columns, and a sun-like stained-glass skylight. On May 30, the Barcelona Symphony Orchestra performs Gabriel Fauré's "Pelléas et Melisande" and Isaac Albéniz's "Catalonia," under the guest director Edmon Colomer, and on June 26, it's the Mormon Tabernacle Choir.

One of the biggest festivals each year is the Night of Saint John (also called Midsummer's Night), which falls on June 23. In Barcelona, there is a fireworks display and all-night party with music on Montjuic.

THE Gothic Quarter resembles a maze, with surprises wherever one turns. On torrid summer days, the cathedral's well-shaded cloister, with its cool stone and many plants, is the perfect escape. Cavellike bars, with sausages hanging from the ceiling, look like they came straight out of a Cervantes novel. The romantic should not miss two well-preserved squares: the Plaça del Pi, known for its cafés and guitar-strumming troubadours, and the Plaça de Sant Felipe Neri, an oasis of serenity with a gentle fountain.

The Museum of the History of the City, housed in a 14th-century mansion on Plaça del Rei, is full of wonders: excavations of Roman ruins and a 17th-century six-story watchtower from which guardsmen studied the sea for enemy ships.

A five-minute walk from the museum is the soaring, stark Church of Santa Maria del Mar, on Plaça de Santa Maria, a 14th-century structure with spectacular nave and columns. Unfortunately, its ornate decorations were destroyed during the Civil War.

Those thirsting to see Gaudi works can buy a \$10 Ruta de Modernisme pass at the Center of Modernism, 35 Passeig de Gracia.

The pass provides admission to 10 Modernist buildings, including Casa

Batlló, 43 Passeig de Gracia, a Gaudi townhouse that looks like a fairy-tale structure, and Casa Mila, 92 Passeig de Gracia, a Gaudi apartment building famous for its undulating walls resembling seaside cliffs, and phantom-shaped air ducts and chimneys. It also includes admission to the Church of the Sagrada Família, at 401 Mallorca, the vast still-unfinished church that Gaudi worked on for 43 years before his death in 1926. He is buried in the crypt.

Gaudi lovers should not miss Guell Park, on Calle Olot, an unfinished work that he designed to be a model community. It has a brilliantly colored, serpentine mosaic bench, an outdoor hall of stately columns and two guardhouses inspired by Hansel and Gretel. One of Barcelona's unusual attractions is its dancing fountains, bathed in lush colored lights at the base of Montjuic, near the Plaça Espanya. The fountains play Thursday to Sunday from 10 to 11:30 P.M. June 23 to Sept. 24.

A TASTE OF TAPAS For a spectacular view of the Mediterranean and equally impressive seafood, Cal Pimxo is the place to go. Situated in Barceloneta, an up-and-coming neighborhood originally built for fishermen's families, this restaurant, at 124 Baluard, has excellent paella, sea bass (*lubina*) and *esqueixada*, a seafood salad full of olive oil and cod. Dinner for two costs about \$65, with wine.

Widely considered one of the best tapas bars in a city famous for tapas, Cal Pep, 8 Plaça de les Olles, has seafood galore. At night, there are often lines for the bustling marble bar, but it is worth the wait. Try the succulent baby squid, the grilled shrimp, the mussels and the spinach with garbanzo beans and garlic. Dinner for two: \$60, with wine.

Budget-minded tourists might try Agut, 16 Gignas, with an \$8.50 lunch menu. Dinner for two is \$40, with wine. The \$6.50 lunch menu is a stunning bargain at El Convent, in a converted medieval convent, at 3 Jerusalem, just behind the colorful Boqueria food market. One recent lunch item, appetizers included lentil salad, baby squid salad and asparagus with garlic sauce.

For a sense of what Barcelona was like at the turn of the century, when it was awash with intellectual ferment and a passion for design, try a romantic dinner at the Quatre Gats, 3 Montsio, a tavern that opened in 1897. Picasso designed its first menu. Unfortunately, the food is not as impressive as the ambience. Dinner for two: \$60, with wine.

DINING

Asparagus Addict Attains Nirvana

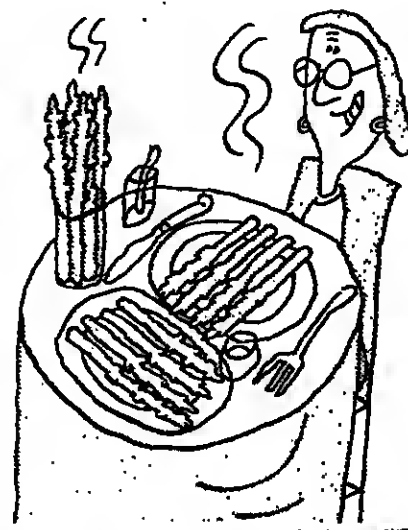
By Patricia Wells
International Herald Tribune

PARIS — I'll be honest from the start. I am an asparagus addict. From the first sighting of those slender spears during the doldrums of February until their traditional disappearance from the French market on the feast of St. Jean in mid-June, I could savor their dense, mineral-rich flavor morning, noon and night.

So when I discovered that the Michelin two-star chef Michel Rostang was offering an all-asparagus menu, I beat a path to the door of his elegant restaurant in the 17th arrondissement. I admit to falling out of love with Rostang some years back after a few meals that seemed to reflect a man stuck in gastronomic mud and on a road to nowhere.

He has awakened, big time, now a passionate chef whose table reflects a curious mind and an intensely intellectual approach to food. The asparagus meal was full of surprises, void of clichés, a love poem to that admirable vegetable.

I was mildly disappointed that nowhere in the meal did asparagus play the star, but by the end of the meal realized the wisdom of assigning it a supporting role in a number of dishes. The first course, *soupe claire d'as-*



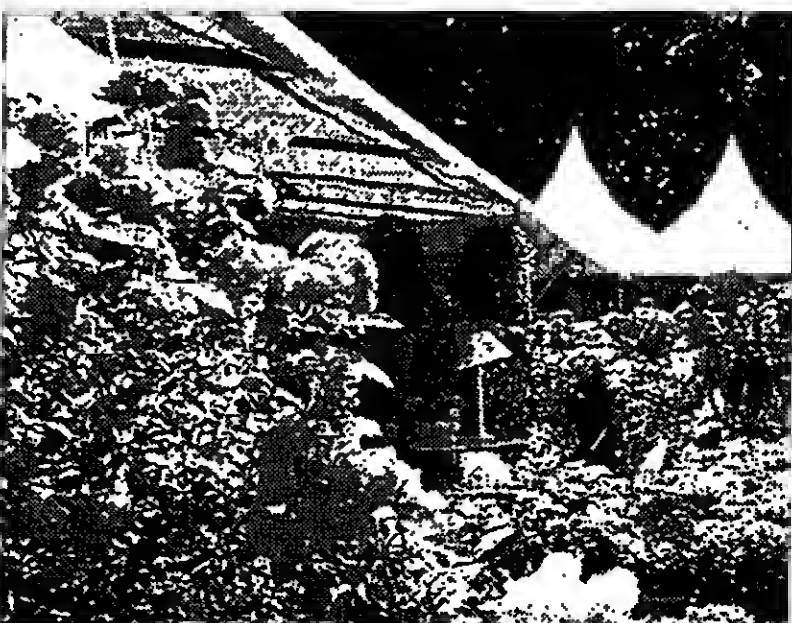
perges vertes de Provence was an eye opener. With Asian overtones, this complex blend of asparagus, coriander, faintly puckery *epine-vinette*, or high-bush cranberries, and cubes of fresh tuna bathed in a clear broth was a perfect tonic. No surprise to know that asparagus were once revered for their health giving properties and used as medicine. The star of the evening was a simple

soft-cooked egg nestled in a tulip of crisp phyllo, topped with a generous spoonful of *Servira caviar*. Flanked by pan-seared violet-tipped asparagus from the farms of Jean-Charles Orso in the hills of Cannes, the soothing dish was offset by a rich, heavily reduced, almost caramelized sauce of sweet sherry.

Off the special menu, diners can also regale their palates with roasted green asparagus with spiced crabmeat in a reduced crustacean sauce; rich nuggets of lobster meat paired with asparagus and baby violet artichokes in a delicate anchovy sauce, and farm-fresh guinea hen with an Italian Arborio rice risotto with asparagus butter.

THE wine list offered a fine discovery, a finely flinty white 1995 Coteaux d'Aix en Provence, from Domaine Hauvette, where Dominique Hauvette crafts a well-made organic wine on the plains of St. Remy de Provence.

Michel Rostang, 20 Rue Rennequin, Paris 17; tel: 01-47-63-40-77; fax: 01-47-63-82-75. Closed Saturday lunch, Sunday and three weeks in August. All major credit cards. 325-franc lunch menu; 745-franc asparagus menu. A la carte, 600 to 800 francs, including service but not wine.



Two scenes of Paris's Art du Jardin, France's grandest horticultural fair with 350 exhibitors expected.

All Hail France's Garden Season

By Jean Rafferty

PARIS — "Picture bats recommended; high heels not recommended," read the invitation to May 25th's soiree for the fifth annual Art du Jardin fair, held from May 23 through May 27 this year at the Longchamp racetrack in Paris's Bois de Boulogne.

Of the host of horticultural fairs that have sprung up throughout France to exploit a fertile market of enthusiastic gardeners, the Art du Jardin is the largest, with 350 exhibitors expected to lure 80,000 visitors to a show spread over four hectares (10 acres). The model gardens of the show have a distinctly French flavor: A kitchen garden by the designer Louis Benech includes fig trees, red-ribbed celery, black beets and a well-filled herb garden (where the Michelin-starred chefs Chislaire Arabian, Reine Sanut, Jean-Pierre Vigato, Jean Bardet and Michel Rostang will go for the ingredients of the culinary delights on the menus of the fair's restaurants).

Other designs offer intriguing insights into French garden expertise: Verve Cluot's garden, "Trip to China," weaves through a forest of bamboo and pagoda-bat parasols to aquatic pools of lotus flowers; Emmanuel Ungaro's sea of roses showcases showers of pale pink, salmon and yellow

petals; in Clarins's garden, walls of water float on a mirrored moat while waterfalls screen follies of ferns and stands of white birch, and a pink sand dune, wildflowers, sea grasses and blue santolinas evoke the charms of the island of Guernsey.

English gardeners may be content to wait for seeds to blossom; the French want instant greenery.

With six other horticulture professionals, the designer Pierre Alexandre Rissler demonstrates a dream garden put together in just two weeks: an impressive display that includes clipped topiary, citrus, magnolia, cypress, lime and olive trees, and climbing roses along with vibrant hardy perennial flower and herb gardens.

Other attractions at Longchamp feature a stand for decorating bats with fresh flowers; Saint Vrain's fairytale farm for children with baby emus, Viennese pigs and ponies; Vannerie d'Hier and d'Aujourd'hui's woven willow-branch screens, and a stove-shaving demonstration at Thomas Smith's Trugs, the steamed willow or Finnish birch baskets that date from Anglo-Saxon England.

New this year: a salon featuring 15 florists who will fashion state-of-the-art bouquets from 50,000 fresh flowers; the latest in garden furniture, including Cedre Rouge's galvanized zinc barrel-shaped chair inspired by an old-fashioned washtub; such fashionable garden

accessories as Prince Jardinier's elegant picnic totes with wine bottle compartments, and a battalion of gardening books starring (in English and French) "Views of the Gardens at Marly," reproductions of splendid 17th- and 18th-century watercolors of the horticultural hideaway where Louis XIV escaped from Versailles for bucolic weekends, and the Meilland family's book on the story behind their renowned roses, complete with tips.

In the Loire Valley, the Chateau de Chaumont's seventh International Garden Festival runs from June 13 to Oct. 18. Among this year's 25 water themes: an aquatic kitchen garden of vegetables, a volcanic display, a suspended water garden of exotic African fish and a music garden.

At Reignac-sur-Indre, the ultimate ecological tourist attraction, Labyrinth, a huge maze carved each year from a cornfield, attracted 200,000 visitors over 10 weeks last summer in tandem with its Belgian offshoot at Durbuy. From July 4 to Sept. 27, this year's 12-hectare version with eight kilometers (five miles) of paths is laid out in eight playing-card mazes animated on an Alice in Wonderland theme, with actors portraying the White Rabbit, the Cheshire Cat and the Queen of Hearts.

Jean Rafferty is a journalist in Paris who specializes in design and lifestyle.

SPONSORED PAGE

DESTINATION GREECE DOORWAY TO ART

THE CREATIVE TRADITION LIVES ON AND PROSPERS

Greek artists are going strong in Athens and other parts of Greece, as a sampling of recent shows attests.

If the Greeks want to prove a direct connection with their ancient ancestors, all they have to do is point to their continued achievements in painting and sculpture — a tradition that even the long Ottoman occupation did not disrupt.

Their cities are adorned with beautiful statues and busts chiseled by the followers of the ancient master Phidias. Their galleries are filled with paintings that are the direct descendants of those by the fourth and fifth century B.C. artists Apelles and Zeuxis, by way of Domenikos Theotokopoulos — better known as El Greco.

Late spring and early summer are good times to appreciate art in modern Greece, since many galleries in Athens and other cities and towns are launching new exhibits.

According to art consultant Katerina Trakakis, scores of prominent artists are currently on exhibit in the main Athenian galleries. The most important current retrospective is that of Alexis Akritchakis at the National Gallery, covering all periods of his career. Akritchakis, born in Athens in 1939, was the most representative spirit of his generation, says Ms. Trakakis: innovative, explosive, displaying all the characteristics of a bohemian until his death in 1995. He attracted the admiration of both the Greeks and foreigners who saw his work.

Akritchakis studied in Berlin, where he moved in 1967, thanks to a German Institute scholarship. He stayed in Germany until 1980, exhibiting in several cities. According to the late Greek art collector Iolas, Akritchakis was "one of the most genuine and most talented artists of his generation."

Revisiting the masters

Another important exhibit is at the Gallery New Forms, where 12 artists, including sculptor George Lappas, 50, who has studied and worked in the United States, are showing what they call Original Replicas, or paintings inspired by famous masterpieces of great artists.

Mr. Lappas, who recently had an exhibit at the Lehmann-Maupin Gallery in New York, explains that his sculpture was inspired by a 1833 painting of a swimmer by Georges Seurat. Yannis Adamakos presents "Van Gogh Feeding Matisse's Fish," "I combined the sunflowers of Van Gogh with the fishbowl of Henri Matisse," he says. Anni Costopoulou, inspired by Picasso's "Two Girls Running on the Sand," has turned out "Two Girls Dancing on a Stage." Angelos Papadimitriou was inspired by the Goddess of the Snakes, an ivory statue dating to 1600 B.C. that was found in the Palace of Minos in Knossos.

In her gallery, situated in the shade of the Acropolis, near the central market of Athens.

Late spring and early summer are good times to appreciate art in modern Greece

Rebecca Kamhi has been showing the works of the 30-year-old artist DeAnna Maganias. Ms. Maganias, who was born in New York, now works and lives in Athens. "Her constructions model quasi-domestic environments that are physically impossible to enter or to exit," says Ms. Kamhi. Ms. Maganias, who studied at the Corcoran School of Art in Washington, D.C., the Rhode Island School of Design and Cooper Union in New York, says: "I do paintings from memory and from a collection of images and recurring nightmares that have been part of my personal world since childhood."

Another painter, Lila Papoula, exhibits her works at the Kreonidis Gallery in Kolonaki, the center of Athens's artistic and social life. Ms. Papoula, 43, studied at the St. Martin's School of Art in London before returning to Greece and graduating from the Higher School of Arts in Athens. Manos Stefanidis, curator of the National Gallery, says the painter, who spe-

cializes in landscapes, "wants to be confessional, but at the same time wants to exclude from her images any suspicion of rhetoric or pomposity."

Another leading Greek painter is Stephen Antonakos, born on the island of Lesbos in 1926, whose parents immigrated to the United States in 1930. Mr. Antonakos, who has held several exhibits in the United States, now lives and works in New York. He, together with Dimitri Alithinos, a 53-year-old who lives and works in Athens; Alexandros Psychoulis, 32, who also works in Athens; and Thanassis Totsikas, 47, who lives in Thessaly; represented Greece in the 47th Biennale in Venice. Says Efi Stroussa, commissioner of the Biennale: "They are dissimilarly developed, with divergent directions and outlooks due to their age differences, disparate ideological backgrounds and different repositories of personal and artistic experience."

Mr. Antonakos represents one of the most remarkable examples of the Greek Diaspora. Mr. Stroussa writes: "Born in Greece, he was only four years old when he moved to the United States. He became one of the first exponents, in the '60s, of the employment of neon light as a new material and as a means of artistic expression." The work he presented at the 47th Biennale, entitled "The Chapel of the Heavenly Ladder," was shown outdoors in front of the entrance to the Greek Pavilion. The focal idea of his creation was a series of meditation spaces in which visitors could contemplate their inner selves.

Mr. Psychoulis uses computer memory to store over 4,000 still and video pictures, "which correspond to an equal number of words," he says.

Concealing to reveal

During the Biennale, Mr. Alithinos realized his 72nd "Katakrypsis," or "Concealment." This consisted of drawing a work at the bottom of a trench inside the pavilion. After the end of the exhibit, the trench was filled up, and the work remains covered up, a sample of today's civilization saved for posterity. Besides his Concealments, Mr. Alithinos has painted the interiors of temples and their facades, including a mural in the Temple of the Rainbow in Ouda, Benin. West Africa and a Buddhist mound in Boudnath, Nepal as well as ceremonial

paintings in Étaounda, also in Nepal. Mr. Totsikas showed what he called "I Love Ducati Best," a demonstration of his passion for a Ducati motorbike. Mr. Stoussa says: "The motorbike, apart from being a modern vehicle, a status symbol or an allusion to Pegasus, is mainly a real object which encompasses the miracle of high technology. As such, it embodies a tremendous energy and conveys a dynamic aestheticism."

Rena Anousi, who specializes in etchings; Dora Kepert; and Popi Lerta are Greek artists who have organized a show called "Three

Women. Three Journeys," opening this week at the House of Cyprus in Athens. Takis Stefanos is showing his paintings at the Peritechnos Gallery. Mary Barbari at a gallery on the island of Kea in the Aegean, and the sculptor Kyriakos Kambadakis at the Old Archaeological Museum of Thessaloniki. Nikos Kessanlis, one of the most interesting portrait painters, has a show in Rethymon, Crete called "Faces. Versions of the Human Form, 1953-1997."

A show called "Greece and Greek Gods" opens this week in the Port of Piraeus, featuring the works of the sculptor Mihalis Kassis. ♦

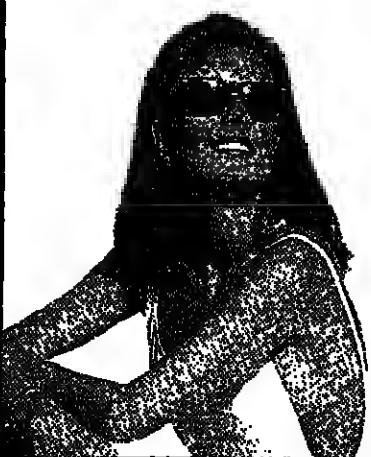


Part of the lineage: a wall painting from the archaeological museum in Heraklion.

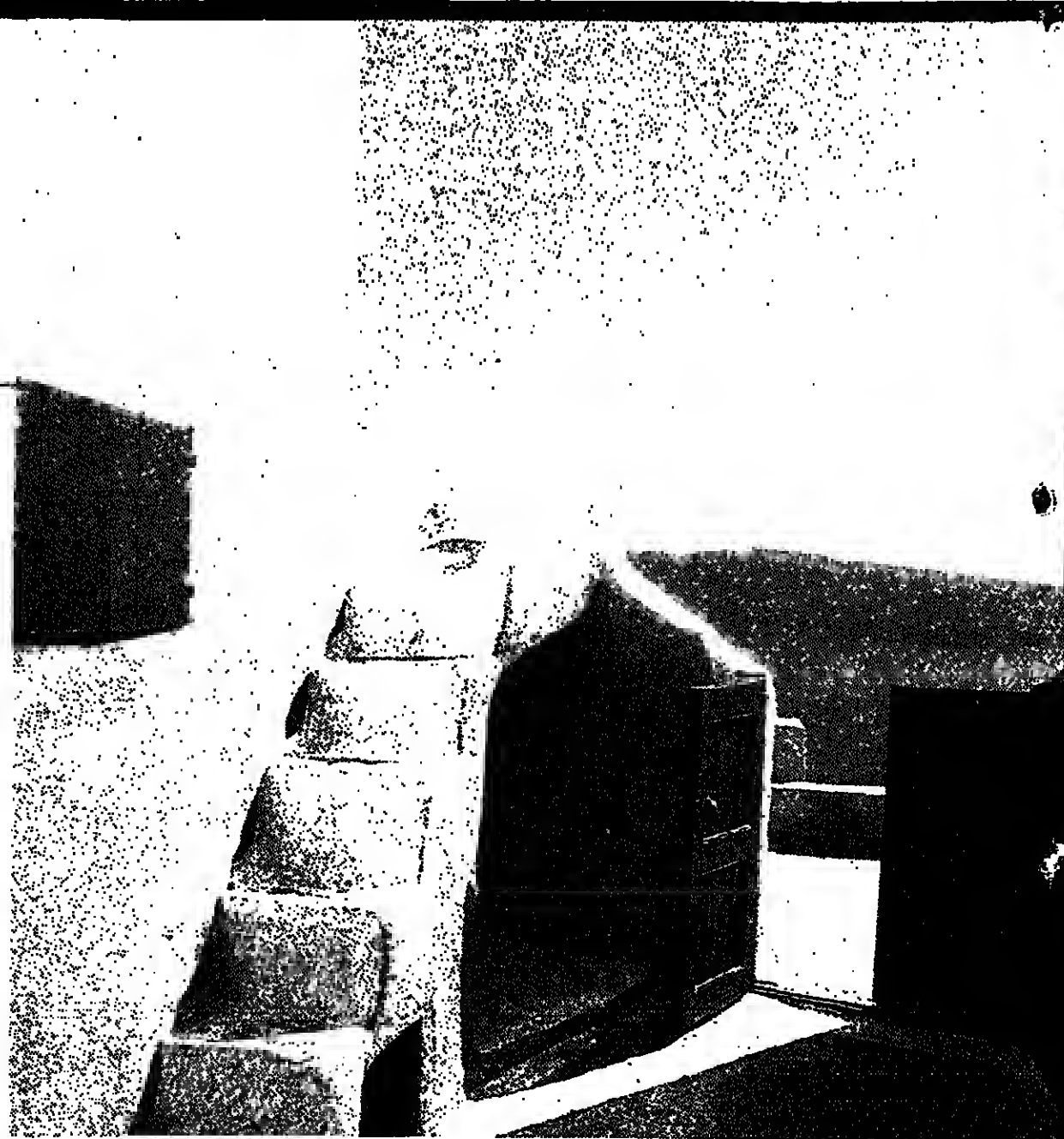
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GREECE: The Authentic Choice

FRIDAY, MAY 22, 1998

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Family Feud Mars Sale of Fabled Store

Harry Winston's Scions
Battle for Jewelry Empire

By Jennifer Steinhauser
New York Times Service

NEW YORK — From his opulent, vaultlike store on Fifth Avenue, Harry Winston once bathed movie stars and princesses in diamonds, rubies and emeralds. His personal assistant remembers him staring at his favorite diamonds "the way parents look at their newborn child."

Even now, two decades after Mr. Winston's death, few actresses would think of going to an Academy Awards ceremony without first arranging for a loan of a costly Harry Winston necklace or tiara.

But Harry Winston Inc., the legendary luxury business that Mr. Winston created, is now on the selling block.

The sale is the culmination of a nearly decade-long fight between Mr. Winston's two sons. It pits Ronald, the older brother who learned the business at his father's side and currently runs it, against Bruce, the sibling whom Ronald dismissed from a marketing job at the jewelry store in 1994.

After years of litigation, a judge in suburban Westchester County — where the cases have been heard — ruled that Ronald could no longer block the sale of the privately held company that two other trustees had long been seeking. Several weeks ago, Credit Suisse First Boston was retained to dangle the jewelry retailer before potential buyers.

Harry Winston is one of the few great luxury names in American retailing; the least expensive item in its Fifth Avenue salon is an \$800 writing pen.

It is best known for its ornate multi-million-dollar necklaces and rings. Marilyn Monroe, in the song "Diamonds Are a Girl's Best Friend" from the 1953 movie "Gentlemen Prefer Blondes," sang seductively: "Talk to me, Harry Winston." Woody Allen used the store recently for a dance scene in his film "Everyone Says I Love You."

Besides New York, the company owns jewelry emporiums in Geneva, Tokyo, Paris and Beverly Hills, and it privately sees hundreds of wealthy clients around the world. Ronald Winston,



Harry Winston, on Fifth Avenue in New York, has long served the rich.

interviewed by telephone from Tokyo, said he still expected to end up in control of the company. "I am the logical buyer, and I intend to own it," he said. "I will give my brother fair value and let him go his way, and I'll go mine."

But it may be too late for that. Even though Ronald remains bitterly opposed to selling to an outsider, he may be powerless to stop the sale. Herbert Choice, the lawyer for Gerald Schmitz, a trustee of the business, said, "My own personal view is that Ronald will resist the process as long as he breathes."

Ronald, 57, has offered to buy his brother's half of the business on multiple occasions, court papers show. But Bruce, 54, repeatedly refused to sell his share. Ronald, a trustee of the business

as well as its chief executive, carefully guards the company's financial numbers. Two independent trustees — an official from Bankers Trust Company and Mr. Schmitz, who is also a former chief financial officer of the business — have complained that Ronald has blocked their repeated requests for detailed information.

Some of those involved in the case estimate that Harry Winston has sales of \$150 million to \$200 million a year. By comparison, Tiffany & Co., which has expanded as a public company far beyond its Fifth Avenue roots, had sales last year of about \$1 billion, and its stock is now worth about \$1.6 billion on

See WINSTON, Page 17

It's Not Over Yet for South Korea

As Economy Shrinks, Many Say Problems Are Still Getting Worse

Compiled by Our Staff From Dispatches

SEOUL — The economy contracted for the first time in 18 years in the first quarter, the South Korean central bank said Thursday, prompting economists and officials to warn that the worst may be yet to come.

Gross domestic product, the total output of goods and services, declined at an annual rate of 3.8 percent during the first three months of the year, the Bank of Korea said. That followed a 3.9 percent growth rate in the fourth quarter and was the first decline since 1980.

"The economy is showing no sign of improvement," said Mark Neale, a researcher at Dresdner Kleinwort Benson Securities Ltd. "It's getting worse month by month."

Recent statistics on factory operating rates and import demand show that shrinking investment and consumption continue to hammer companies in almost every industry.

"If consumption and investment sentiment remain at these low levels, the economic outlook is very bad," a central-bank official said. "Any strong economic improvements are unlikely."

South Korea, which in 1997 retained its ranking as the world's 11th-largest economy in terms of GDP, at \$442.6 billion, is struggling to overcome a financial crisis that forced it to seek a \$60 billion bailout from the International Monetary Fund in December.

Shim Sang Dal, a fellow at Korea Development Institute, a government research organization, said South Korea was in a recession. Most economists expect South Korea's gross domestic product to contract for the year.

The finance minister, Lee Kyeung Sang, said GDP would probably contract by about 0.2 percent and 0.8 percent, but most private estimates call for a sharper contraction.

The Federation of Korean Industries earlier predicted the GDP would contract 2.2 percent year-on-year in 1998, while the International Institute of Finance drew a still gloomier picture, with a 5 percent decline forecast.

The first-quarter GDP decline came as household consumption, which accounts for half of the economy, fell at an annual rate of 10.5 percent in the quarter — the worst decline since the central bank started compiling statistics in 1953.

"If the government reacts appropriately, it can stabilize the situation within a couple of months," said Steven Marvin, head of research at Ssangyong In-



Lee Kap Yong, trade union chief.

vestment & Securities Co. "If they don't, the economy will go from recession to depression."

While the GDP drop was not unexpected, it dealt a blow to the fragile Seoul stock market. The Korea Stock Exchange composite index ended down 1.86 percent, or 6.87 points, at 362.30.

The central bank's report said investment in machinery and equipment tumbled for a third straight quarter, dropping

40.7 percent from a year earlier, to 6.2 trillion won (\$4.4 billion). Total investment in plant and equipment fell at an annual rate of 23 percent, its worst decline ever.

Companies have to pare investment because in many cases their profits cannot cover interest costs now that market interest rates are averaging 18 percent. South Korean companies are also shifting inventory. Supplies including raw materials and finished goods tumbled 9.75 trillion won in the first quarter from a year earlier. Part of the decline reflects a growth in exports. Exports of goods and services rose 27.3 percent in the first quarter from a year earlier.

Output in the construction industry in the first three months fell 39 percent from the previous quarter, to 5.61 trillion won. Output of manufacturing industries dropped to 19.55 trillion won from 23.13 trillion won.

On the labor front, Lee Kap Yong, head of the Korea Confederation of Trade Unions said restructuring measures were one-sided and unfair to workers because many employers were resorting to mass layoffs as their only method of corporate reform.

(Bloomberg, AFP, Reuters)

Greenspan Warns on Asia

The Associated Press

WASHINGTON — While noting some encouraging developments, Alan Greenspan, chairman of the Federal Reserve Board, said Thursday that the Asian financial crisis remained highly volatile and still could spread to other parts of the world.

Mr. Greenspan, along with Robert Rubin, the Treasury secretary, and Dan Glickman, the agriculture secretary, also said the U.S. economy had not yet absorbed the full impact of the financial turmoil that struck Indonesia, Thailand and South Korea last year.

"Clearly, those economies are not out of the woods, as recent events attest," Mr. Greenspan said.

Mr. Greenspan said there still was a "small but not negligible probability" that the troubles in East Asia could have "unexpectedly large negative effects" on Japan, Latin America and Eastern and Central Europe

and "repercussions elsewhere, including the United States."

He also said there was a time lag between a financial meltdown in currency and stock markets and the impact of those developments on the overall economy.

"The effects of the Asian crisis on the real economies of the immediately affected countries, as well as on our own economy, are only now just being felt," he said.

Mr. Greenspan appeared with Mr. Rubin and Mr. Glickman as part of an effort by President Bill Clinton's administration to win approval for \$18 billion in additional support for the International Monetary Fund, whose resources have been depleted by the need to organize more than \$100 billion in financial bailouts. The request has run into opposition in the House of Representatives, where critics say the IMF has mishandled the Asia crisis.

Thinking Ahead / Commentary

Bridging the French-American Rift

By Reginald Dale
International Herald Tribune

WASHINGTON — A sure way to get a laugh at most Washington dinner parties is to tell an anti-French joke. Fan mail pours in to this column whenever it criticizes France, however mildly. France may be America's oldest ally, but the two countries are also entwined in a unique love-hate relationship. The two cultures grate on each other. Americans react badly to what they see as French arrogance and selfishness; the French resent American power.

The advent of the global economy has given an added twist to this long-running saga. The popular image of France in today's America is of a protectionist, socialist state fighting a vain and misguided rear-guard action against market forces.

In France, it is fashionable to depict the United States as a ruthless capitalist Godzilla bent on destroying the hallowed French way of life. Both images are overblown. Whatever else Americans may feel about France, they love the French way of life.

And France, the world's fourth-largest trading power, is far more engaged in the global economy than most Americans realize. As Jean-Claude Trichet, the governor of the Bank of France, recently told a somewhat surprised audience in Washington, France is the world's third-largest recipient and exporter of foreign direct investment.

Now the French, or at least some members of the government, are trying to cut through these prejudices. In Paris, Hubert Vedrine, the foreign minister, is telling his compatriots to forget their complexes about American commercial, military and cultural dominance.

This month, Pierre Moscovici, the minister for European affairs, came to Washington to say, in unusually conciliatory terms, that France wanted to be friends and that a more integrated Europe with a single currency would not threaten the United States.

It is a good time for an olive branch. With the euro fast approaching, Amer-

Some in the French government are trying to end the mutual suspicion.

ican suspicions have been riding high, with some believing that France wants the euro to dethrone the dollar, others that Paris will try to turn the euro zone into a protectionist fortress.

Mr. Moscovici, however, promised that the new Europe would be open to the United States and strongly reaffirmed France's commitment to the multilateral trading system. That, not anti-Americanism, was why France recently vetoed a European Commission proposal for a new trans-Atlantic trade pact, he insisted. Rather than undermining the dollar, he said, the euro offered the prospect of U.S.-

European management of the international monetary system, and a stronger Europe — not a U.S. monopoly of power — was in America's best interests.

Some Americans will be cynical about these blandishments. They do not alter the fact that in many fields France sees its interests as differing from those of the United States, and that French and American views of the role of markets are poles apart.

But it seems clear that France has decided that the global economy calls for a stronger trans-Atlantic relationship and that Europe, with the euro and moves toward a common foreign policy, should increasingly qualify as an equal partner for the United States.

The key aim would be "shared leadership," allowing France, through Europe, to gain power relative to America. Now that Brussels and Washington have at least temporarily defused their dispute over U.S. economic sanctions against Cuba, Iran and Libya, France will be more willing to discuss closer trans-Atlantic trade and economic cooperation.

That could augur well for other contentious areas, such as the role of France — and Europe — in the North Atlantic Treaty Organization. At the very least, Paris is saying it wants more love and less hate in the French-American relationship. That is progress. But the demand for good French jokes in Washington is unlikely to diminish soon.

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CURRENCY & INTEREST RATES

May 21/May 20										May 21									
Cross Rates										Libor-Libor Rates									
Currency	Per \$	Per £	Per ¥	Per Sfr	Per A\$	Per N\$	Per R\$	Per B\$	Per HK\$	1-month	3-month	6-month	9-month	12-month	15-month	18-month	21-month	24-month	30-month
Australian	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Belgian	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
British	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Canadian	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
French	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
German	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italian	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japanese	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Swiss	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
U.S.	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Other Dollar Values										Forward Rates									
Currency	Per \$	Per £	Per ¥	Per Sfr	Per A\$	Per N\$	Per R\$	Per B\$	Per HK\$	30-day	60-day	90-day	120-day	150-day	180-day	210-day	240-day	270-day	300-day
Australian	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377
Belgian	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377
British	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377
Canadian	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377
French	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377
German	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377
Italian	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377
Japanese	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377
Swiss	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377
U.S.	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377	1.377

Total Wealth Management

from A to Z

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Total Wealth Management from EFG Private Bank is much more than a traditional banking service, it's a total banking solution. It offers every one of our clients the close, personal attention of an international team of people who are expert in every step of private wealth creation and management, from A-Z.

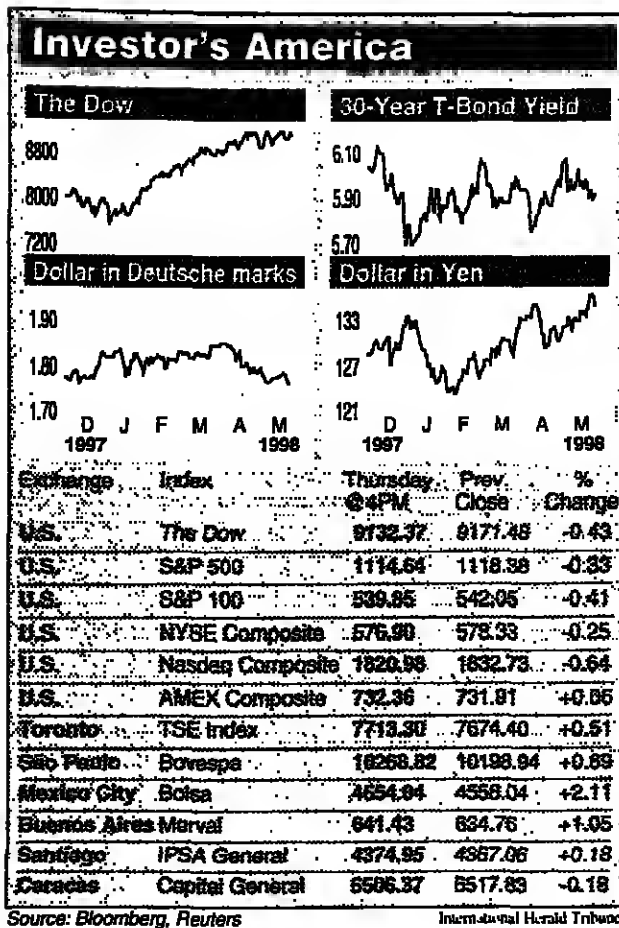
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THE AMERICAS



Very briefly:

- Lincoln National Corp. is buying Aetna's U.S. individual life insurance business for \$1 billion, its second largest life insurance acquisition this year. The deal to buy \$50 billion in insurance business from Aetna comes on the heels of Lincoln's \$1.4 billion acquisition of Cigna's individual life and annuities businesses in a deal completed Jan. 2.
- Continental Airlines has agreed to buy a 19 percent stake of Aerolineas Centrales de Colombia S.A., which is based in Medellin, Colombia.
- Charles Schwab Corp. reorganized its management, giving additional responsibilities to top executives. Schwab named Linnet Dely, head of the unit that serves independent investment advisers, president of Schwab's retail group, a new position. It appointed chief financial officer Steven Scheid to oversee the company's mutual funds and brokerage business, new product development and management, and risk and credit operations.
- Barnes & Noble Inc., the largest U.S. bookseller, said its fiscal first-quarter loss narrowed to \$3.34 million from \$3.9 million a year earlier. Sales for the quarter ended May 2 rose 12 percent, to \$666.3 million.
- H&R Block Inc. said its tax preparation and filing fees in the United States rose 9.5 percent from a year earlier in the tax season ended April 30.

U.S. Firms Go on Asia Buying Spree

NEW YORK — The number of U.S. companies buying Asian companies has hit record levels this year. Through May 13, acquisitions of Asian companies totaled \$4.8 billion, according to Securities Data Co. That is an increase of 14 percent over 1996, the busiest year ever.

Japanese companies made up 54 percent of the announced acquisitions, for a total of 13 deals valued at \$2.6 billion.

Motorola Switches Its Bets on Satellites

NEW YORK — Motorola Inc. said Thursday it would end its \$1.2 billion Celestri satellite project and invest about \$750 million in rival Teledesic LLC as part of a plan to focus on more profitable ventures.

Motorola, which is abandoning Celestri less than a year after announcing the ambitious project, will get a 26 percent stake in closely held Teledesic. The investment includes an undisclosed amount of cash and the value of Celestri's design and development work that will be redirected to Teledesic.

By teaming up with Motorola, Teledesic's backers — Microsoft Corp.'s chairman, Bill Gates, and the cellular-phone pioneer Craig McCaw — are eliminating one competitor and hoping to grab a bigger piece of the satellite-communications market. Motorola also is eliminating billions of dollars in costs for Celestri and will become Teledesic's prime contractor.

"This is a natural fit of core competencies, know-how and vision," said Christopher Galvin, Motorola's chief executive. "Rather than continuing along our separate paths, we're combining our best efforts to deliver a new generation of broadband communications services to people around the world."

Motorola shares closed at \$55.5625 Thursday, up 56.25 cents.

Teledesic plans to provide Internet, voice and video communications anywhere in the world through a network of 288 satellites that are scheduled to begin service in 2003.

Boeing Co., the world's largest aerospace company, and Matra Marconi Space, a satellite manufacturer, will become a partner in the Teledesic project.

At the time, Celestri was viewed as a bold competitive move by the world's largest maker of cellular phones and pagers. It would dwarf plans by Teledesic and a joint venture of France's Alcatel-Alsthom SA and Loral Space & Communications Ltd. of the United States.

But Celestri also would have posed a conflict for Motorola. With Celestri, Motorola will operate its own network. At the same time, it hopes to become a supplier to other satellite system operators such as Teledesic.

Celestri would have been the sixth multibillion-dollar satellite venture, and competition in the field is already formidable. Alcatel-Alsthom and Loral have proposed a \$3.9 billion satellite system called SkyBridge. The system will be based on 64 low Earth-orbiting satellites and is expected to begin operating in 2001.

Zapata Goes Fishing but Fails to Land Excite

By Mitchell Martin
International Herald Tribune

NEW YORK — Zapata Corp., a fishing company that was founded as an energy concern by George Bush before he entered politics, made an unexpected and unwelcome \$1.72 billion all-stock bid Thursday for the Internet search-engine company Excite Inc.

The bid was seen on Wall Street as a gambit to draw attention to Zapata's recent expansion into the on-line industry. The company — controlled by its chairman, the millionaire investor Malcolm Glazer — last month acquired two on-line magazines and has been offering through newspaper advertisements to purchase World Wide Web sites. It said its goal was to "acquire and consolidate leading Internet and e-commerce businesses into a global network."

Zapata said it would only pursue a friendly bid, but Excite quickly rejected the offer. In a press release headlined "Excite Declines to Acquire Food Processing Company," the Redwood City, California-based company noted that its market capitalization was about \$1.3 billion, compared with the \$250 million value that investors place on Zapata's stock. Excite said that disparity and "the complete lack of synergy" between the companies' businesses meant that the offer "holds no possible value" to its shareholders.

Andrea Williams, an analyst at Volpe Brown Whelan & Co. in San Francisco, agreed but said Internet

search-engine companies were attractive to other potential buyers. "I continue to believe there will be other people that take a good hard look at these companies," she said, "but bids that are successful are likely to come from companies that offer a greater synergy."

Avram Glazer, the president of Zapata and son of its chairman, said the offer of \$72 a share in newly issued stock for Excite had provided "an immediate premium" to the company's market price. Excite's stock closed at \$61.875 Thursday, up \$1.51, while Zapata fell 81.25 cents to \$10.5625. Its shares were trading at \$6.50 in January before the company sold part of its Omega Protein Corp. to the public.

Mr. Glazer also said Zapata could bring "capital resources" to Excite, although it was unclear whether he was referring to his father's wealth, estimated by Forbes magazine at \$300 million.

A Zapata source said the company's campaign to buy Web sites had drawn sufficient publicity and that the offer was a serious bid to expand into the Internet business.

Excite offers free on-line information services under its own brand name and as Webcrawler. There are localized versions of Excite, which Ms. Williams said was the second-biggest service of its kind behind Yahoo Inc., in Australia, Britain, France, Germany, Japan, the Netherlands and Sweden.

Mr. Bush sold his Zapata holdings in the 1960s.

Fears of Higher Interest Rates and Lower Earnings Shake Wall Street

NEW YORK — Stock prices fell Thursday on worries about the profit outlook for high-technology companies and expectations of higher interest rates this year.

The Dow Jones industrial average closed 39.11 points lower at 9,132.37, and the Standard & Poor's 500 index fell 4.42 points to 1,114.64. Declining issues outnumbered advancing ones by a 4-to-3 ratio on the New York Stock Exchange, and the technology-heavy

Nasdaq composite index closed 10.77 points lower at 1,820.98.

The price of the benchmark 30-year Treasury bond fell 13/32 point to 102 25/32, sending the yield up to 5.92 percent from 5.90 percent Wednesday.

Bonds fell after the release of minutes from the March meeting of the Federal Reserve policymakers. The minutes confirmed that Fed policymakers had adopted a bias toward higher rates.

"Should the strength of the economic expansion and the firming of the labor markets persist, policy tightening likely would be needed," the minutes said.

Higher rates increase the cost of corporate borrowing, eating into profits and expansion potential.

Dell Computer led technology issues lower, falling 4 1/16 to 87 1/16 on worries that price war will slash profit. The company reported strong earnings Tuesday but said it had been forced to cut prices to increase sales.

Compaq Computer fell 1 to 28 9/16.

"There are general concerns about the health of the PC business," said Vadim Zlotnikov, an analyst at Sanford Bernstein & Co. "This raises the hurdle for what is necessary to show strong earnings growth."

Intel fell 2 1/4 to 74 1/4 amid doubts that the chipmaker's business was recovering from a slump.

Manugistics Group fell 8 1/2 to 47 1/2 after an analyst at BT Alex. Brown & Sons Inc. warned that the manufacturing-software developer may fall short of earnings expectations because it might have trouble closing orders.

Pfizer fell 3 1/16 to 109 1/4 after the company said it would warn paramedics and emergency-room physicians that patients who had been taking Viagra, the drug-maker's anti-impotence pill, should not be given nitrates for heart problems.

Dollar Sags In Wake of Suharto Exit

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell against most major currencies Thursday as market tensions eased after the resignation of President Suharto of Indonesia.

Dealers said investors had trimmed dollar holdings they had recently accumulated in fear that the turmoil in Indonesia might spread. Mr. Suharto's

departure was seen as the first step toward a peaceful solution. But worries about his successor, B.J. Habibie, limited the dollar's losses because of concern that someone so closely identified with Mr. Suharto might still face civil unrest.

Mr. Habibie "wasn't liked as vice president, so why would he be liked as president?" asked Marc Chandler, a strategist at Deutsche Morgan Grenfell.

The dollar fell to 134.95 yen in 4 P.M. trading from 136.01 yen Wednesday.

The dollar also fell against most European currencies on expectations that interest rates in Europe may head higher. It fell to 1.7585 Deutsche marks from 1.7703 DM, to 5.8925 French francs from 5.9365 francs and to 1.4643 Swiss francs from 1.4763 francs. The pound slipped to \$1.6305 from \$1.6333.

"Now there's a viable alternative to the dollar," said the European rate outlook, said Bill Bertha, a dealer at Mellon Bank. (Bridge News, Reuters)

AMEX

Thursday's 4 P.M. Close
The 300 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press.

Stock	High	Low	Open	Close	Change
AMEX	732.36	731.81	732.36	732.36	+0.06
AMEX 100	539.95	542.05	539.95	539.95	-0.41
AMEX 200	576.90	578.33	576.90	576.90	-0.25
AMEX 300	1820.98	1832.73	1820.98	1820.98	-0.64
AMEX 400	7113.30	7074.40	7113.30	7113.30	+0.51
AMEX 500	10268.82	10198.94	10268.82	10268.82	+0.69
AMEX 600	4524.94	4558.04	4524.94	4524.94	-0.73
AMEX 700	941.43	934.76	941.43	941.43	+0.05
AMEX 800	4374.95	4367.66	4374.95	4374.95	+0.18
AMEX 900	6506.37	6517.83	6506.37	6506.37	-0.18

U. S. STOCK MARKET DIARY

Index	High	Low	Open	Close	Change
Dow Jones	9132.37	9171.48	9132.37	9132.37	-0.43
S&P 500	1114.64	1118.38	1114.64	1114.64	-0.33
S&P 100	539.95	542.05	539.95	539.95	-0.41
NYSE Composite	576.90	578.33	576.90	576.90	-0.25
Nasdaq	1820.98	1832.73	1820.98	1820.98	-0.64
AMEX	732.36	731.81	732.36	732.36	+0.06

INTERNATIONAL FUTURES

May 21, 1998					High Low Open Close Opt					High Low Open Close Opt									
Grains										Cattle									
CORN (CBOT)										CATTLE (CME)									
5,000 bu minimum - cents per bushel										40,000 lbs - cents per lb									
Jun 86	2494	2494	2494	2494	0.00	146.664				Jun 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Jul 86	2494	2494	2494	2494	0.00	40.197				Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Aug 86	2494	2494	2494	2494	0.00	12.216				Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Sep 86	2494	2494	2494	2494	0.00	12.216				Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Nov 86	2494	2494	2494	2494	0.00	12.216				Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Dec 86	2494	2494	2494	2494	0.00	12.216				Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Est. sales N.A. Wheat sales 30,641										Wheat open at 11,914.94 up 943									
Wheat open at 337.744 up 1.363																			
SOYBEAN MEAL (CBOT)										WHEAT (CBOT)									
40,000 lbs - cents per lb										5,000 bu minimum - cents per bushel									
Jun 86	19.00	15.00	15.60	15.60	+0.30	61.90				Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Jul 86	19.00	15.00	15.60	15.60	+0.30	61.90				Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Aug 86	19.00	15.00	15.60	15.60	+0.30	61.90				Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Sep 86	19.00	15.00	15.60	15.60	+0.30	61.90				Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Oct 86	19.00	15.00	15.60	15.60	+0.30	61.90				Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Nov 86	19.00	15.00	15.60	15.60	+0.30	61.90				Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Dec 86	19.00	15.00	15.60	15.60	+0.30	61.90				Wheat open at 11,914.94 up 943									
Est. sales N.A. Wheat sales 15,940																			
Wheat open at 154.00 up 452																			
SOYBEAN OIL (CBOT)										CATTLE (CME)									
40,000 lbs - cents per lb										40,000 lbs - cents per lb									
Jun 86	27.00	27.15	27.24	27.24	+0.53	74.758				Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Jul 86	27.00	27.15	27.24	27.24	+0.53	74.758				Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Aug 86	27.00	27.15	27.24	27.24	+0.53	74.758				Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Sep 86	27.00	27.15	27.24	27.24	+0.53	74.758				Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Oct 86	27.00	27.15	27.24	27.24	+0.53	74.758				Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Nov 86	27.00	27.15	27.24	27.24	+0.53	74.758				Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Dec 86	27.00	27.15	27.24	27.24	+0.53	74.758				Wheat open at 11,914.94 up 943									
Est. sales N.A. Wheat sales 28,884																			
Wheat open at 154.00 up 452																			
SOYBEANS (CBOT)										CATTLE (CME)									
5,000 bu minimum - cents per bushel										40,000 lbs - cents per lb									
Jun 86	65.35	65.35	65.35	65.35	0.00	64.564				Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Jul 86	65.35	65.35	65.35	65.35	0.00	64.564				Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Aug 86	65.35	65.35	65.35	65.35	0.00	64.564				Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Sep 86	65.35	65.35	65.35	65.35	0.00	64.564				Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Oct 86	65.35	65.35	65.35	65.35	0.00	64.564				Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Nov 86	65.35	65.35	65.35	65.35	0.00	64.564				Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Dec 86	65.35	65.35	65.35	65.35	0.00	64.564				Wheat open at 11,914.94 up 943									
Est. sales N.A. Wheat sales 41,025																			
Wheat open at 141.704 up 418																			
WHEAT (CBOT)										CATTLE (CME)									
5,000 bu minimum - cents per bushel										40,000 lbs - cents per lb									
Jun 86	30.00	29.75	29.84	29.84	+0.69	69.632				Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Jul 86	30.00	29.75	29.84	29.84	+0.69	69.632				Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Aug 86	30.00	29.75	29.84	29.84	+0.69	69.632				Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Sep 86	30.00	29.75	29.84	29.84	+0.69	69.632				Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Oct 86	30.00	29.75	29.84	29.84	+0.69	69.632				Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Nov 86	30.00	29.75	29.84	29.84	+0.69	69.632				Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Dec 86	30.00	29.75	29.84	29.84	+0.69	69.632				Wheat open at 11,914.94 up 943									
Est. sales N.A. Wheat sales 41,025																			
Wheat open at 141.704 up 418																			
CATTLE (CME)										CATTLE (CME)									
40,000 lbs - cents per lb										40,000 lbs - cents per lb									
Jun 86	65.35	64.97	65.15	65.15	+0.03	16.620				Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620				Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620				Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620				Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620				Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620				Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620				Wheat open at 11,914.94 up 943									
Est. sales N.A. Wheat sales 41,025																			
Wheat open at 141.704 up 418																			
LIVESTOCK										CATTLE (CME)									
40,000 lbs - cents per lb										40,000 lbs - cents per lb									
Jun 86	65.35	64.97	65.15	65.15	+0.03	16.620				Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620				Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620				Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620				Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620				Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620				Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620				Wheat open at 11,914.94 up 943									
Est. sales N.A. Wheat sales 41,025																			
Wheat open at 141.704 up 418																			
CATTLE (CME)										CATTLE (CME)									
40,000 lbs - cents per lb										40,000 lbs - cents per lb									
Jun 86	65.35	64.97	65.15	65.15	+0.03	16.620				Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620				Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620				Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620				Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620				Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620				Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620				Wheat open at 11,914.94 up 943									
Est. sales N.A. Wheat sales 41,025																			
Wheat open at 141.704 up 418																			
CATTLE (CME)										CATTLE (CME)									
40,000 lbs - cents per lb										40,000 lbs - cents per lb									
Jun 86	65.35	64.97	65.15	65.15	+0.03	16.620				Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620				Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620				Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620				Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Oct 86	65.35	64.97	65.15	65.15	+0.03	16.620				Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Nov 86	65.35	64.97	65.15	65.15	+0.03	16.620				Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Dec 86	65.35	64.97	65.15	65.15	+0.03	16.620				Wheat open at 11,914.94 up 943									
Est. sales N.A. Wheat sales 41,025																			
Wheat open at 141.704 up 418																			
CATTLE (CME)										CATTLE (CME)									
40,000 lbs - cents per lb										40,000 lbs - cents per lb									
Jun 86	65.35	64.97	65.15	65.15	+0.03	16.620				Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Jul 86	65.35	64.97	65.15	65.15	+0.03	16.620				Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Aug 86	65.35	64.97	65.15	65.15	+0.03	16.620				Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620			
Sep 86	65.35	64.97	65.15	65.15	+0.03	16.620				Oct 86	65.35								

COMMODITY INDEXES

Commodity	High	Low	Open	Close	Opt
Gold (COMEX)	380.00	380.00	380.00	380.00	0.00
Silver (COMEX)	16.00	16.00	16.00	16.00	0.00
Copper (COMEX)	1.50	1.50	1.50	1.50	0.00
Aluminum (COMEX)	1.00	1.00	1.00	1.00	0.00
Crude Oil (NYMEX)	25.00	25.00	25.00	25.00	0.00
Gasoline (NYMEX)	1.00	1.00	1.00	1.00	0.00
Heating Oil (NYMEX)	1.00	1.00	1.00	1.00	0.00
Wheat (CBOT)	1.00	1.00	1.00	1.00	0.00
Corn (CBOT)	1.00	1.00	1.00	1.00	0.00
Soybean Meal (CBOT)	1.00	1.00	1.00	1.00	0.00
Soybean Oil (CBOT)	1.00	1.00	1.00	1.00	0.00

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Continued on Page 18

ASIA/PACIFIC

Bank of Japan's Assessment of Economy Worsens

Compiled by Our Staff From Dispatches

TOKYO — The central bank lowered its assessment of Japan's ailing economy Thursday, saying the cycle of output, income and spending had turned negative and that downward pressure remained strong.

The new assessment came amid reports that the government was ready to acknowledge what private economists had long said: that Japan's economy is in a recession. Domestic media said the government's Economic Planning Agency would announce the recession in June after consulting a panel of experts meeting to assess the economy.

The central bank said that public-works spending had bottomed out, that growth in exports had peaked because of slowdowns in Asian economies, that capital investment was in decline and that consumer spending showed no sign of improvement.

These factors "indicate production, income and expenditure show negative interaction with one another," the bank said, suggesting it was more pessimistic about the economy than it was a month ago.

Still, the bank said it expected a 16.65 trillion yen (\$122 billion) government stimulus package released last month to alleviate the downward pressure on the economy.

"The package has new measures and is also substantial in size," said Masaru Hayami, the central bank's governor. "At least we can say it will work positively for the economy. We need to watch for a while."

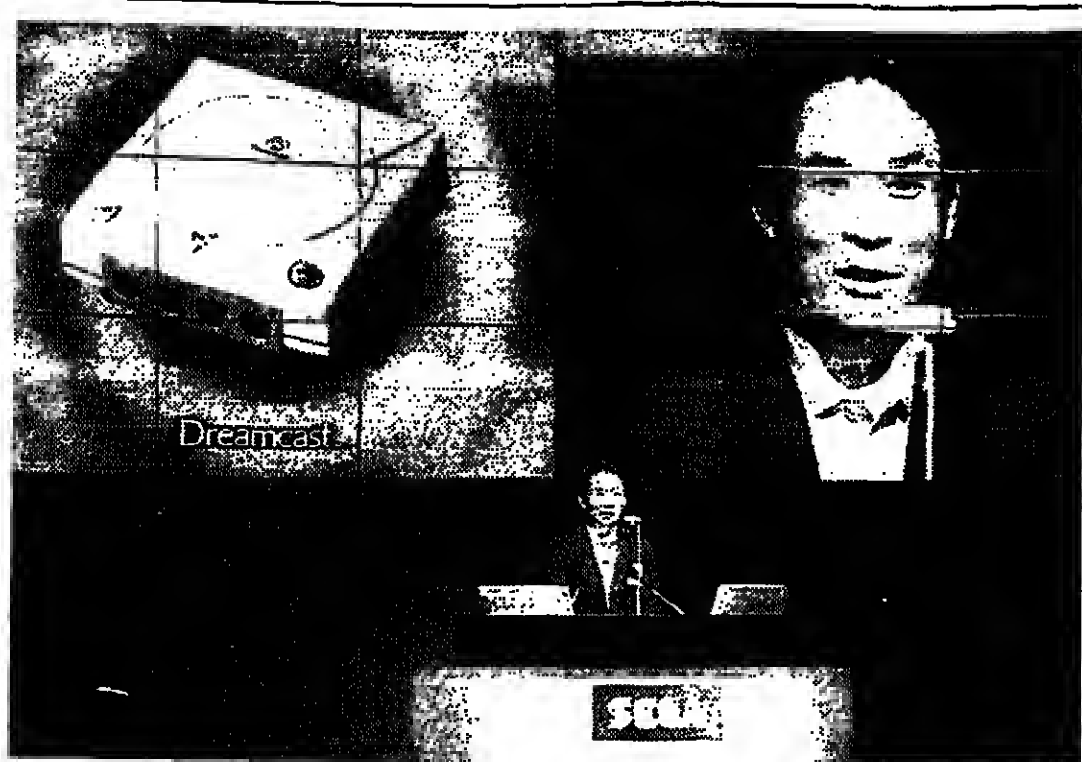
Mr. Hayami said economic conditions had prompted the Bank of Japan's policy board to maintain its current easy monetary policy.

Because of the weak economy, the bank has kept the discount rate, the rate it charges for overnight loans, at a record low of 0.5 percent since September 1995 and its target for overnight loans between banks just below that level.

Japan's unemployment rate reached a post-World War II high of 3.9 percent in March, and corporate bankruptcies rose 16.4 percent in the year that ended March 31, with liabilities from those failures reaching a record 14.5 trillion yen, up 57 percent from a year earlier.

The central bank said prices were likely to weaken, reflecting high inventories and weak demand. Wholesale prices continue to fall, and consumer prices are nearly static, the bank said.

Masayuki Matsushima, head of the central bank's research and statistics bureau, told the Nihon Keizai newspaper last week that Japan could face deflation in three to six months. (Reuters, Bloomberg)



Shoichiro Irimajiri, president of Sega, introducing the Dreamcast console Thursday in Tokyo.

Sega Dreams Up New Video Game

Latest Digital Machine Will Be First With Internet Access

Compiled by Our Staff From Dispatches

TOKYO — Sega Enterprises Ltd. said Thursday it would replace its struggling Saturn game play with a 128-bit home video-game machine called "Dreamcast" running Microsoft Corp.'s Windows CE operating system.

The player will be the first game machine with access to the Internet. Sega's machine will challenge Sony Corp.'s PlayStation and Nintendo Co.'s Nintendo 64 in the estimated \$15 billion video game market.

"I am confident that Dreamcast will become a de-facto standard for the future of digital entertainment," Sega's chairman, Isao Okawa, said.

The new machine will be launched in Japan on Nov. 20 and in 1999 outside Japan.

Sega is betting that Dreamcast's faster graphics performance will enable it to build on the Saturn's 5 percent market share and turn around Sega's financial performance. Sega will release its profits

for the year to March 31 on Friday, and the company has already warned it will post a loss because of weak U.S. sales.

As Sega's profits have fallen, its rival, Sony, has driven earnings up to record levels, helped by strong sales of its PlayStation.

Sega said it sold 5 million Saturn machines since they went on sale in November 1994 in Japan, and the rest of the world in 1995. By contrast, Sony said it shipped 30 million PlayStation machines since they went on sale in December 1994. Nintendo said it had sold 11.5 million Nintendo 64 machines as of Sept. 30.

The weak sales of Saturn have left Sega with a mountain of inventory. Shoichiro Irimajiri, the company's president, said in March. Reducing that inventory from 24.2 billion yen as of March 1997 to 5.7 billion yen for the year just ended but Sega, he said.

Sega's new machine will have high-definition graphics capacity and a 64-channel sound system in addition to Internet access. The

Dreamcast was developed in cooperation with Microsoft, Hitachi Ltd., VideoLogic Group PLC and Yamaha Corp. The machine will use a Hitachi SH microchip and NEC's new three-dimensional graphics chip, the PowerVR.

Industry sources say the machine will sell for less than \$200.

"If Sega can keep the price down, the Dreamcast could be a killer machine," said Dan Lucas, an analyst at Towa Securities Co. If Sega can market the machine successfully and find the right software it could capture 20 percent to 30 percent of the global market within 18 months, Mr. Lucas said.

"The machine will be more compatible with PCs than any other video-game machine has been," Mr. Lucas said. That puts pressure particularly on Nintendo because Sony is probably closer to developing a replacement for the PlayStation than Nintendo is for the Nintendo 64, Mr. Lucas said.

Sega shares rose 130 yen to 2,390. (Bloomberg, Reuters, AFP)

Buybacks Bolster Tokyo Stock Market

Bloomberg News

TOKYO — More than 150 Japanese companies have announced plans in the past three days to buy back millions of their own shares to try to push up depressed stock prices.

Sharp Corp., Nippon Steel Corp., Toyota Motor Corp. and Pioneer Electronic Corp. are among the companies that have announced plans to buy back shares under a law that took effect April 1. This month alone, at least 300 listed companies have said they will buy back or have already bought back their shares.

"It's a freebie, win-win restructuring for Japan," said Kevin Heber, strategist at SBC Warburg. "No plans are closed, no workers are fired, there's no cost and lots of advantages."

The announcements had an immediate impact on share prices. The wave of buybacks helped push the benchmark Nikkei 225 stock index up 537.56 points, or 3.5 percent, over the past week. The index closed at 15,845.25 on Thursday, up 192.25 points, or 1.2 percent, on the day.

"Investors are just buying the shares on the announcement effect," said Craig Chudler, a strategist at Salomon Smith Barney (Japan).

Until last month, the Japanese government allowed companies to buy back shares only with their retained earnings — the portion of earnings not paid out to shareholders — up to a limit of 10 percent of the number of shares outstanding.

The announcements came in the thick of Japan's earnings season, with more than 2,500 companies reporting their results for the year that ended March 31 and making forecasts for the current year.

Buybacks can benefit shareholders by reducing the number of shares outstanding, which increases earnings per share. They are often also seen as a vote of confidence in a company whose price has fallen so far it may be ready to rise again.

"The net effect is positive," said Darrel Whitten, strategist at ABN-AMRO Securities (Japan). "It takes excess scrip off the market."

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
13000	2000	17000
12000	1800	16000
11000	1600	15000
10000	1400	14000
9000	1200	13000
8000	1000	12000
7000	800	11000
6000	600	10000
5000	400	9000
4000	200	8000
3000	0	7000
2000		6000
1000		5000
0		4000

Sources: Reuters, International Herald Tribune

Very briefly:

- The Philippine central bank approved two measures to reduce borrowing costs. It cut the percentage of deposits that banks must keep in reserve and raised interest rates on funds that banks keep at the central bank.
- Nippon Steel Co., the world's largest steel company, said net income soared 72 percent in the year ended March 31, to 5.95 billion yen (\$43.7 million), but warned that profit in the coming year would fall by two-thirds as orders drop from construction companies and carmakers.
- Honda Motor Co. will resume exports of its popular Accord model to the United States in order to meet unexpectedly high demand for the cars.
- Wu Yi, a top Chinese official, told the China Daily that the government's 8 percent growth target for 1998 was threatened by the effects of the Asian financial crisis.
- Tokyo Electric Power Co. awarded General Electric Co. an order worth 70 billion yen for equipment amid growing U.S. pressure to open up Japan's power equipment market.
- Ford Motor Co. said it wanted a 10 percent stake of Asia's auto industry in a decade and intended to stick to expansion plans despite the economic turmoil. (Bloomberg, Reuters, AFP)

Thailand's Jobless Rate Soars

The Associated Press

BANGKOK — Unemployment in Thailand has ballooned beyond the government's worst expectations, with figures showing 2.8 million Thais out of work, officials said Thursday.

The latest survey by the National Statistical Office found that number of people, equal to 8.8 percent of the work force, unemployed in February.

The survey said unemployment had surged from 5.4 percent last year. It said the sectors most affected were construction, which registered a drop of 1.1 million workers out of a work force of 3 million last year, and agriculture, which shrank by 500,000, to 11.9 million workers.

Collapse in Prices For Screens Cuts Sharp Corp. Profit

Compiled by Our Staff From Dispatches

OSAKA, Japan — Sharp Corp., the world's largest maker of liquid-crystal display screens, said Thursday its pretax group profit fell 43 percent, to 30.6 billion yen (\$372 million), in the year that ended March 31 because of a collapse in screen prices.

Net profit dropped 49 percent, to 24.8 billion yen, Sharp said. Revenue was flat at 1.791 trillion yen. The results ended a four-year period of rising profit and sales. Sharp, which analysts say has about 20 percent of the \$12 billion world market for the screens, suffered as average prices plummeted about 40 percent in the year. Hiroshi Saji, executive director, said. (AFP, Bloomberg)

Sumitomo and Daiwa See Profit After Year of Losses on Bad Loans

Compiled by Our Staff From Dispatches

TOKYO — Sumitomo Bank Ltd. and Daiwa Bank Ltd., two of Japan's biggest banks, posted losses Thursday for their latest year to try to mop up a large part of their problem-loan mess.

But they said that their move would help them return to reasonable profits for the current year, ending next March. Sumitomo Bank was especially confident that it would be able to manage its bad-loan problems after it took a 1.04 trillion-yen (\$7.6 billion) charge against 1997-98 results to cover existing and potential loan losses.

"There are some uncertainties such as the Asian situation," said Masayuki Oki, a director at Sumitomo Bank. "But the prospects are good for cleaning up our problem loans."

Sumitomo posted a pretax loss of 502.7 billion yen for the year that ended March 31. It had a profit of 68.1 billion yen the previous year. The bank said it expected a profit of 170 billion yen in the current year. The figures are for the parent company

only and do not include subsidiaries.

At the end of March, Sumitomo's problem loans outstanding, calculated according to U.S. accounting rules, totaled 1.47 trillion yen, or 4.09 percent of its total loans outstanding. The bank said it had already covered 85.6 percent of its expected losses on problem loans.

Daiwa Bank said it expected a parent-company pretax profit of 22 billion yen in its current year after posting a loss of 151.2 billion yen for the year just ended. It estimated it would take loan-loss charges this year of 40 billion yen, compared with 389.98 billion yen in the year that ended March 31.

The bank also projected a parent-company operating profit of 65 billion yen this year, down from 96.46 billion yen in the most recent year, partly because the bank will continue cutting back its overseas assets. Daiwa said that while it had 958.1 billion yen of problem loans at the end of March, 71.5 percent of that amount had been covered by loan-loss reserves. (Reuters, AFP)

WINSTON: Battling Brothers

Continued from Page 13

the New York Stock Exchange.

Harry, the patriarch, would have hated to see his beloved diamond empire turned over to outsiders, those involved seem to agree.

"If he knew the company was sold because of this, it would break his heart," said Elinor Wurtzel, who was Mr. Winston's longtime personal assistant.

Unlike the typical family business feud — which usually begins at the founder's funeral — the fight over Harry Winston got off to a slow start. But that seems to have added to the bitterness.

"I think that Bruce is very misguided in this thing," Ronald Winston said. "He is a mini-Howard Hughes locked in the back room."

Bruce Winston, through his lawyer, Edward Wohl, declined to comment. But Mr. Wohl complained that Ronald had constantly kept Bruce in the dark about the business.

"Ronald terminated him," he said, "as a strategy to make him get out of the way."

When Mr. Winston died in 1978 at the age of 82, his will stated that shares in the family business would be divided evenly between his sons. But Ronald, who was named chief executive, received his shares immediately. Bruce's were to be parceled out over 25 years. For many years, Bruce

worked for the company but was much more active on the party circuit.

"He was not involved in the business day-to-day," Mr. Wohl said.

Mrs. Wurtzel said: "Bruce was doing whatever he wanted to do. He came in for his check."

But in 1990, according to court documents, Bruce began to take an active interest in the way the business was managed. Mr. Wohl said Bruce Winston was worried that he was not getting his fair share of the profit and complained that his brother was not properly running the business.

"Bruce had totally relied on his brother," Mr. Wohl said. "When Ronald resisted his overtures, Bruce petitioned the trustees for accounting of the business. After they provided one, he contested it. In 1994, having already received \$150,000 a year to \$75,000, Ronald dismissed his brother from his marketing position."

"Ronald has done some foolish things, and Bruce has done some foolish things," said Mr. Wohl, the lawyer for Mr. Winston's estate. "But it is stupid and destructive and the most ridiculous thing I have ever seen. I say a plague on both their houses."

As for the company, "Whoever buys it will buy it," Mr. Wohl said. "Harry Winston is dead. The living have to take care of themselves."

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WORLD ROUNDUP

Italy Picks Baggio

SOCCER Cesare Maldini, the Italian coach, on Thursday included Roberto Baggio in his roster for the World Cup. Maldini also recalled Giuseppe Bergomi, a 34-year-old Inter Milan defender. Maldini omitted forwards Gianfranco Zola and Pierluigi Casiraghi. (AP)

Cipollini Wins Sprint

CYCLING Mario Cipollini sprinted to victory in the fifth stage of the Tour of Italy in Frascati on Thursday. It was his career 23d stage win in the race, a record. Michele Bartoli, who started the day one second behind Sergei Gonchar, won a sprint bonus to take the overall lead by three seconds. (AP)



Mario Cipollini cruising after winning a Tour of Italy stage.

Devils Hire Ftorek

ICE HOCKEY Robbie Ftorek, the New Jersey Devils' top assistant for the past two years, took over as the team's head coach on Thursday.

Ftorek, 46, replaced Jacques Lemaire, who resigned May 8 after the Devils were eliminated in the first round of the playoffs by Ottawa. The Devils had the best regular-season record in the Eastern Conference.

New Jersey won the Stanley Cup in 1995, the second of Lemaire's five years with the team. But they missed the playoffs the following year. (AP)

South Africa Wins

CRICKET South Africa took a 1-0 lead in the three-match series against England on Thursday with a comfortable three-wicket at the Oval in south London. England, forced to bat first on a cloudy morning, made 223 runs for nine wickets from its 50 overs. Nick Knight was top scorer with 54.

Jacques Kallis hit 62 and skipper Hansie Cronje contributed 40 from 59 balls as South Africa reached the target with eight balls to spare. (AFP)

After 32-Year Wait, Real Recaptures Cup

But Madrid Coach Faces an Uncertain Future

By Peter Berlin
International Herald Tribune

AMSTERDAM — The wait is over for Real Madrid, but the waiting goes on for Jupp Heynckes.

Real, coached by Heynckes, won the Champions Cup, formerly the European Cup, on Wednesday night when it beat Juventus, 1-0, in Amsterdam. It was the club's record seventh victory in the competition, but its first since 1966.

The team had spent more than 30 years struggling to recapture past glories. Yet Heynckes, the coach who has brought the cup back to Madrid in his first year in charge, seems certain to lose his job. Even with the cup in his grasp, Lorenzo Sanz, the club president, seems unsure whether Heynckes has been a success or a failure.

Last summer, Heynckes took over the team from Fabio Capello, an Italian who had taken Real to the Spanish title.

Real started this season in dazzling style, racing to the top of the league in Spain, obliterating opponents in Europe. Yet as the season progressed, Real's form, especially in Spain, waned. Real finished fourth in the league, far behind the champion, its hated rival, Barcelona. In Europe, its form, and luck, held well enough to carry it to the final.

This subplot lent a surreal tone to the final. On the day before the match, Christian Panucci, Real's Italian defender, was told by a journalist that Capello had just been fired after one year in his second stint at AC Milan. Panucci was asked if he would like Capello to return to Real. "I hope so," said the player. "I have a good relationship with him."

Heynckes, sitting in the next chair, did not even blink.

At the press conference after the victory, the first question for Heynckes was whether he had just coached his last match in charge of Real. He complained that he wanted to talk about the victory and refused to answer the question.

At intervals, late-arriving Spanish journalists asked Heynckes whether he had quit or been fired and all received the same non-answer, which communicated so much.

The game itself was similarly frustrating. Two talent-laden teams were more adept at setting problems than solving them.

Afterward, Heynckes complained that the squad he had inherited at Real Madrid had neither the depth nor the balance to contend in both the Spanish League and Europe. (So it was all Sanz's fault, after all.) Yet on the field it was clear that his team, whatever its balance, was deeper than Juve's.

It was the Italian champion's third straight final. After the previous two it had sold players. Juventus can still field Zinedine Zidane and Alessandro Del Piero, the two outstanding players in the earlier rounds of this year's competition. On Wednesday, some of those around them were out of their depth.

The game itself, with only seven shots on goal and 51 fouls in the 90 minutes the ball was in play, was a sobering reminder of how much the game has changed since Real Madrid thrashed

Eintracht Frankfurt, 7-3, in the 1960 final. In those days, teams picked five or six attackers or creative midfielders. On Wednesday, two of Europe's strongest attacking teams opted for three each.

Heynckes adopted a formation that emphasized, in his own words, "discipline and order."

Roberto Carlos, the exciting Brazilian defender, curbed his attacking instincts. Christian Karembeu, the muscular French midfielder, who had played right wing and scored against Borussia Dortmund, was brought inside to clog up the midfield.

Clarence Seedorf, the even more muscular Dutch midfielder, notionally played wide on the left, but he kept drifting inside, too. These two, along with Fernando Redondo, a muscular Argentine, are the models of modern midfielders.

They do not lack skill, but none of them are creative in the old-fashioned manner exemplified by Ferenc Puskas, an inside forward on the great Real team. Between them they displayed hardly a wrinkle of flair all evening. Nevertheless, they slowly overpowered the lighter Juve midfield and, hunting together, smothered Zidane, the one truly creative player in either midfield.

The diminutive Del Piero, meanwhile, was flattened every time he touched the ball by either Fernando Hierro or Manuel Sanchis, Real's center backs. The other nine Juventus players — with the occasional exception of midfielder Edgar Davids — were incapable of picking up the creative slack.

In the end, Roberto Carlos broke his shackles, his shot ricocheted to Pedrag Mijatovic who danced past Angelo Peruzzi, the Juventus goalie, and scored.

Juventus responded like a champion. Filippo Inzaghi wasted a golden chance. Davids squirmed through the Real defense but shot straight at Bodo Illgner, the Real goalkeeper, and a curling free kick from Zidane narrowly missed the goal, but Real reasserted its control.

At least 20 of the men who played on Wednesday will be going to the World Cup. Of those, only Mijatovic, a Yugoslav, and Hierro, a Spaniard, enhanced their reputations.

Del Piero, meanwhile, strained his thigh and on Thursday was omitted from Italy's squad for the World Cup, although a place will be kept open for him until the final deadline on June 2.

Now, while Heynckes waits to answer questions on his future, the 500 million fans who watched his victory on television, wait to find out if this final, so rich in promise, so poor in content, is a portent for the greater cup to come.

Fans Fight Police in Madrid

Street battles broke out early Thursday in Madrid as Real fans celebrated their team's European Cup victory. Reuters reported.

Victory celebrations by hundreds of thousands of fans turned violent when many started throwing rocks and bottles at the police, who responded with rubber bullets and tear gas. More than 50 people were hurt, including 30 police officers, and six fans were arrested, state media reported.



Mika Hakkinen racing ahead of Eddie Irvine in a practice session Thursday for the Monaco Grand Prix.

Twin Peaks of Auto-Racing Season
On Sunday, It's the Monaco Grand Prix and the Indy 500

By Brad Spurgeon
International Herald Tribune

PARIS — The two most famous motor races in the world take place back to back on Sunday on two different continents. Although the cars look almost the same, the two races are a study in contrasts.

The first runs through the twisty streets of a picturesque tourist resort on an escarpment overlooking the Mediterranean Sea. Less than two hours after that race finishes, the second will be run on an oval-shaped track in a Midwestern U.S. city on flat land, with a clump of downtown skyscrapers surrounded by suburban sprawl as a backdrop.

The Monaco Grand Prix and the Indianapolis 500 are the two peaks of the single-seat, open-wheel racing season. But while the sport has never been more popular, a third race Saturday, the Champ Car meeting — formerly IndyCar — the Motorola 300, in Madison, Illinois, is a reminder that the sport has problems.

The Indianapolis 500 runs under the auspices of the Indy Racing League, which was started in 1996 by Tony George, president of the Indianapolis Motor Speedway. George, 38, is the grandson of Tony Hulman who bought the Speedway in 1945 for \$750,000 and turned it into a multimillion dollar family empire.

Just the fact that this is the 82d running of the Indianapolis 500, and its great history and tradition, allows it to enjoy the success it does," George said. "Monaco, with its history and tradition and the great names that have raced and won there in the past, has a lot of the same qualities."

But in 1994, when George announced his intention to create his own series whose crown-jewel race would be the Indy 500, the people at Championship Auto Racing Teams, or CART, IndyCar's sanctioning body, thought he was playing with history. The Indianapolis 500 had been the premier IndyCar race for over 20 years, so CART, which is still the world's top oval racing formula, decided to pull out and create its own 500-mile (800-kilometer) race in Michigan.

"The sport's domination by the Indy 500 slowed its development," said Andrew Craig, the chief executive of CART. "You had this one big race that dominated the whole year, and it wasn't very clear to the fans as consumers what

was important. Was it important to win the championship? To win the Indy 500? The Indianapolis 500 almost consumed the sport of open-wheel racing."

In 1996, CART staged the Michigan 500 at the same time as the Indianapolis 500. The older race won the battle for attention with a more exciting and dramatic race. CART has since scheduled its Michigan race later in the season. The Motorola 300 on Saturday is just another of its series of 19 races.

In 1995, the last time the Indy 500 and the Grand Prix of Monaco ran on the same day, the winner of Indy was Jacques Villeneuve, the future Formula One champion. Villeneuve grew up in Monaco and is there again this week as a member of the Williams team. He said before the 1995 Indy race that he would rather be in Indianapolis than Monaco.

After that race he said, "To win it is as big as winning the championship. If you have a choice of one race to win, make sure it's the 500."

In his two races at Monaco, in 1996 and 1997, he has fared poorly. Part of the problem is the nature of the track. Villeneuve is a specialist on the kind of wide fast corners featured at Indy. Monaco favors drivers who are like slalom skiers and can negotiate the tight corners through the twisty city circuit.

Formula One has its own problems, and Monaco may magnify them. Five different drivers won the first five CART races this year. In Formula One, McLaren cars have won four out of the first five, lapping just about everyone. Monaco, for all its historical glory — the race started in 1929 — risks being another walkover if a McLaren gets the pole position, since the track is the best example of what's wrong with Formula One: it is hard to overtake.

Max Mosley, president of the International Automobile Federation, Formula One's governing body, said this was not a flaw. "People like this stalking, waiting, and then he goes for it," he said. "Rather than constant overtaking. It's a little bit like the difference between soccer and basketball. You don't get goalless draws in basketball. And in most soccer matches, there's one or two goals in the whole one and a half hours. A goal is a big event. In basketball, you get more than a hundred, and it's not a big event."

At Monaco, fans usually have to wait a long time for a goal. But history shows the race is usually won by only the greatest drivers. Graham Hill domina-

ted in the 1960s with five victories. From 1984 to 1993, only two drivers won — Ayrton Senna six times, and Alain Prost four. Since then, Michael Schumacher's winning streak there has been interrupted only by Olivier Panis's victory in 1996 in the rain.

Whatever their problems may be, each series is inescapably international in nature. The Formula One season includes races on five continents. CART this year held its first race in Japan, and also stages races in Brazil, Australia, and Canada. IRL races only in the U.S., but most of the cars are made by the Italian company, Dallara. Most CART cars are British built.

George said he created the IRL partly to give more chance to American drivers. Only a third of CART drivers are American, while two-thirds are American in IRL.

"There was over an opportunity for young American drivers who had come up through the ranks," he said. "It became very important for the driver to bring money. And a lot of the European and South American drivers would be able to bring money. I just wanted to create more of an opportunity, but not to the exclusion of any other drivers or of any other country."

IN THE 1950s, Formula One drivers who drove at Indy gained world championship points. George is negotiating with Bernie Ecclestone, Formula One's commercial promoter, to hold a U.S. Grand Prix at the Indy 500 track. This would mean using only part of the oval, and building the rest of the track in the infield.

The CART race Saturday will reach over 60 million viewers in 180 countries. Its races draw about 1 billion viewers annually. Formula One claims a total of 5 billion for its season. The IRL series is out a big draw, but the Indianapolis 500 will attract 110 million viewers.

The Indianapolis 500 is also a huge draw at the track, attracting close to 400,000 spectators.

Rhys Jones, a fan who lives in Indianapolis, said that local residents "see it as their civic duty to fill the stands."

Ticket sales have been down since CART's withdrawal, but that means that instead of having to pay scalpers two to three times their value, fans can get tickets when they want them.

"Which, to me, is progress," Jones said.

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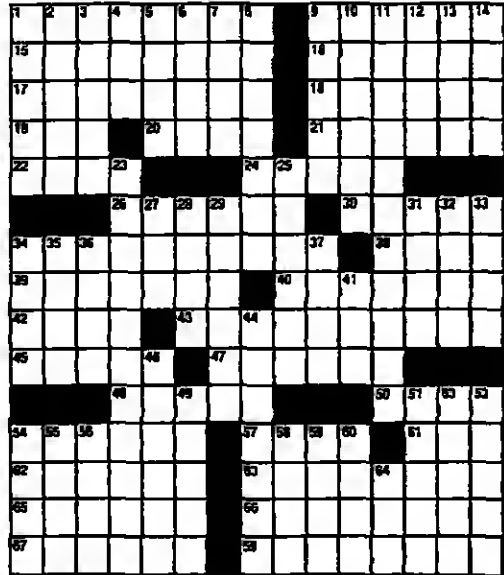
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DOWN

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Coaches' Protest Disrupts NFL Symposium

New York Times Service

A group of about 50 to 60 National Football League coaches and assistant coaches, upset with issues they say include race and age discrimination and the NFL pension plan, staged a protest

on the last day of the league meetings in Coral Gables, Florida.

The league had organized a coaching symposium, but when it started at 8 A.M. with a talk by Bill Walsh, a former coach of the San Francisco 49ers, the disgruntled coaches held a meeting of their own outside.

Entering the symposium 15 minutes late, they said the reason for the protest was to show the league that coaches, particularly assistants, were unified and prepared to take on the league.

The protesting coaches included Ray Rhodes, the Philadelphia Eagles' head coach,

and Art Shell, a former head coach of the Oakland Raiders who is currently an assistant with the Atlanta Falcons. Both are black.

The protest was first planned to be over the fact that there are only three black head coaches out of 30 in the league. Then older coaches, mainly in their 60s, wanted to take part. They claim there is a bias against older assistants since less than 3 percent of all assistant coaches are over 60.

NFL assistants, despite their six-figure salaries and guaranteed contracts, say they are a vulnerable group because they can be fired at any time.

So the protest evolved into

a larger statement about several issues affecting assistant coaches, including concerns about what they say is an ineffective pension plan.

Not everyone sympathized with the protest. The NFL's commissioner, Paul Tagliabue, was especially harsh, saying it "bordered on silliness because we're well aware of their issues."

"We've been talking to them, more than talking to them — we've changed a number of policies."

The owners also approved a limited return of the instant replay. It will be used in 11 nationally televised exhibition games this season.

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SPORTS

All's Calm As Yankees Again Beat The Orioles

The Associated Press
There was calm after the storm at Yankee Stadium. One night after a wild brawl between the Yankees and Orioles, both teams were on their best behavior in New York's 9-6 victory over Baltimore. Three batters were hit by pitches Wednesday night, but all took their

BASEBALL ROUNDUP

bases without incident as the Yankees handed the Orioles their seventh successive loss.

"I think everybody thought, 'Turn the page, yesterday doesn't count,'" said Joe Torre, the Yankees' manager.

Before the game, Torre and the Orioles' manager, Ray Miller, spoke to their teams about getting over Tuesday night's brawl, which resulted in the suspension of five players.

Derek Jeter tripped, doubled and singled, and Tim Lincecum drove in three runs as the Yankees roughed up a former teammate, Jimmy Key, and won their fourth straight. Scott Brosius homered and Jorge Posada doubled twice for New York.

Hideki Irabu (3-0) allowed two runs in six and a third inning to give him a major league-leading 1.40 earned run average after six starts.

Armando Benitez, an Orioles relief pitcher, was suspended for eight games for intentionally throwing at Tino Martinez on Tuesday night.

Darryl Strawberry and Graeme Lloyd of the Yankees were suspended for three games each by the American League for "overly aggressive behavior, fighting and prolonging the violent incident" in the brawl that erupted after Benitez hit Martinez.

Alan Mills of the Orioles and Jeff Nelson of the Yankees were suspended two games each.

Red Sox 6, White Sox 2 In Boston, Pedro Martinez scattered four hits over seven innings to improve to 5-0 and Mo



Edgar Renteria of the Marlins trying vainly to escape a rundown.

Vaughn hit his 12th homer for the Red Sox. Blue Jays 9, Devil Rays 1 Jose Canseco hit one of four Toronto home runs and Pat Hentgen pitched eight strong innings for the Blue Jays.

Indians 14, Royals 5 Kenny Lofton drove in a career-high five runs and Travis Fryman homered, singled and doubled for Cleveland at Kansas City.

Tigers 12, Twins 11 Damian Easley hit a pair of two-run homers and drove in six runs as Detroit came back from an 8-2 deficit.

Rangers 8, Mariners 7 Lee Stevens hit two homers and Texas took advantage of another collapse by Seattle's bullpen to rally from a six-run deficit in Arlington.

Seattle's Alex Rodriguez hit a pair of homers to give him a league-leading 18.

Angels 5, Athletics 4 Darin Erstad homered and drove in three runs, and Tim Salmon added a two-run shot as Anaheim beat visiting Oakland.

In the National League: Cardinals 9, Phillies 5

home-run leader, took a day off and his replacement at first base belted two homers.

Gary Gaetti, normally a third baseman, hit a pair of two-run homers as St. Louis won in Philadelphia. Gaetti had hit just two home runs in his first 130 at-bats.

McGwire, whose three homers Tuesday night gave him 20, took a scheduled night off.

"We'll have a staff meeting and see if he deserves to play tomorrow," Tony La

Russa, the Cardinals' manager, joked afterward.

Pirates 5, Padres 2 Padres 8, Pirates 3 Greg Vaughn hit a two-run homer and Sterling Hitchcock pitched his best game since he rejoined the starting rotation as San Diego earned a split of a doubleheader in Pittsburgh.

In the opener, Francisco Cordova shut out the Padres until the ninth inning and San Diego's shaky defense led to a four-run sixth inning for the Pirates.

Cubs 5, Redlegs 6 Kevin Tapani pitched a three-hitter and Henry Rodriguez hit his 10th home as Chicago moved nine games over .500 for the first time since 1995.

Astros 4, Expos 3 Derek Bell hit a tie-breaking single in the ninth inning as Houston won at Montreal.

Diamondbacks 7, Marlins 3 Mark Williams capped a six-run fifth inning with a grand slam as Arizona spoiled Mike Piazza's home debut for Florida.

Piazza, given the night's biggest ovation by the crowd of 17,560, singled in four at-bats.

Braves 6, Rockies 1 Michael Tucker hit a two-run homer in the first inning to help Kevin Millwood (6-1) to victory.

Giants 4, Brewers 2 Orel Hershisier pitched seven strong innings for his third consecutive victory and contributed two singles to lead San Francisco to a victory in the road.

Reds 6, Mets 6 Ed Taubensee batted in three runs and Lenny Harris drove in two as Cincinnati snapped a four-game losing streak.

A Rare, and Dangerous, Apology

How Will Orioles React to Manager's Soft Words to Yankees?

By Thomas Boswell
Washington Post Service

NEW YORK — Ray Miller has taken his first step toward defining himself as the Baltimore Orioles' manager. With every television camera in New York trained on him, Miller apologized to Tino Martinez and the New York Yankees for Tuesday night's brawl here, incited by an Orioles beanball pitch.

You don't see that every day. Or every decade.

When was the last time a Washington Redskins coach said, "I'm very sorry" to the Dallas Cowboys? What next? Will Pat Riley call the Knicks to say, as Miller did to the Yanks, "I hope they'll be able to respect us."

How many melées has Yankee Stadium seen since Babe Ruth's day? How many times has an angry young pitcher with more passion than judgment watched a Yankee home run disappear into the upper deck and responded by drilling the next New York homer in the back with a fastball? How often have the benches cleared and a few haymakers landed on chairs?

A game-breaking home run, followed by a cowardly, dangerous retaliation and a donnybrook is an ugly baseball sequence. But in 130 years, nobody's figured out how to stop it. The scene recurs, like a grisly ritual, in various parks each season.

How often, however, does a manager apologize to his team's rival and put full blame on his own pitcher — in this case, Armando Benitez, Miller made that stand Wednesday, one which is as dramatic and dicey — for him — as any knockdown pitch.

How will his team take it? As an act of principle, which it was? As an act of weakness? Or betrayal of team solidarity? Will Benitez become a club scapegoat? Will a collapsing last-place team that risks saying, "We're sorry," sink even lower? Or will they band together?

The preliminary results, please. The Yankees blasted the Orioles again on Wednesday night, scoring nine runs off Jimmy Key in a 9-6 victory. That's seven straight Baltimore losses and 23 defeats in 33 games. The Orioles trail the Yankees by 13 games, 16 in the loss

column. Even the wild-card spot is 8½ games above them.

If nothing else, Miller has his high standards to keep him warm. For 30 years, Miller has been consistent in his views on violence. No beanballs — ever. Retaliation, while sometimes necessary, should never be near a batter's head.

VANTAGE POINT

But, if a brawl starts, protect your mates. So he said in public what he's always said in private. And he didn't care who liked it or what price he might pay.

"I issue a full apology to Tino Martinez in particular and the Yankees in general," Miller said Wednesday, after learning that Benitez had been suspended for eight days for inciting a baseball riot. "When a very, very immature young kid loses control, he doesn't represent the rest of us in this organization."

"This 'I can't beat you, so I'll hurt you,' has no place in baseball. That's an important issue in sports."

"It wasn't a very smart thing to do," said Miller, getting more somber as he spoke.

Miller explained that, starting with manager Earl Weaver in the 1960s, the Orioles had always "retaliated" when other teams went beyond the game's unwritten rules but had "never" been the initiators of beanballs or brawls. To illustrate, he cited Alan Mills, who was also suspended for two days for decking Darryl Strawberry with a running roundhouse right to the mouth.

"I feel bad that Alan Mills got suspended," Miller said. Referring to the American League president, Gene Budig, Miller said he told him that "when somebody [Strawberry] runs in to your dugout and punches one of your players in the back of the head, you're supposed to defend your teammates. That's as cowardly as throwing at somebody."

"If you want to fight somebody, square off. Alan squared off and took care of business. He did it very well. I'm proud of him for that."

To those outside baseball, the distinction between a punch in the mouth and a fastball in the back may be so comically small as to call into question the intellects of all those involved in the activity. To those in the game, however,

the former is an act of honor while the latter is the definition of dishonor.

Benitez, who claimed he did not hit Martinez on purpose, did not come to Yankee Stadium on Wednesday. However, several Orioles spoke of him almost as bitterly as the Yankees. New York's Paul O'Neill said, "a lot of their players probably feel the same way about him that we do."

Three years ago, Benitez did exactly the same thing to Martinez, hitting him with the first pitch after allowing a home run to the previous hitter. The Orioles were so disgusted that they sent Benitez back to the minors.

"It was kind of demoralizing and embarrassing to me," said the Orioles' pitching coach, Mike Flanagan, of the incident. "We had just played the best seven innings of baseball that we'd played in five weeks. The mood of this club was changing. The bench was up and alive and bubbling."

"You can't get around it. What he did was bad. And what timing. That was our first game with New York" of the season. "Now, we are not going to have one easy game with them this year. And maybe next year. And maybe the year after that, too."

Said the Yankees' O'Neill: "I don't think it's over. You can't forget something like that. That's as blatant as I've ever seen. We'll use it as incentive to continue to go after them."

The Orioles will be tempted to make Benitez the scapegoat for their troubles. He's always been a socially ill-at-ease young player from a poor Dominican background with a slim command of English. He has enormous talent, a temper, a haughty bearing and takes both instruction and teasing poorly.

Benitez also gave up three game-losing hits to the Indians in the playoffs last year. So, he's an easy target for the Orioles' failure to reach a very winnable World Series last fall.

For the Orioles as a team, this is likely to be a turning point. Miller, with no managerial accolades in his past, has had a light grip on this group of rich old stars. Who is he really? What does he stand for? How far can you push him? What do you have to do to make him mad?

Now, they know. But will it help?

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

Team	W	L	Pct.	GB
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New York	20	16	.556	—
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Boston	22	16	.579	—
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Toronto	22	23	.489	11
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Tampa Bay	20	24	.455	12½
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Baltimore	20	25	.444	13
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CENTRAL DIVISION

Team	W	L	Pct.	GB
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Cleveland	25	19	.568	—
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Minnesota	19	25	.435	6
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Chicago	18	23	.439	6½
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Detroit	16	25	.390	7½
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Kansas City	16	26	.384	9
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WEST DIVISION

Team	W	L	Pct.	GB
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Texas	23	21	.523	—
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Anaheim	21	24	.467	7½
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Seattle	19	24	.442	9
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Oakland	19	25	.432	9
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NATIONAL LEAGUE

EAST DIVISION

Team	W	L	Pct.	GB
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Atlanta	20	23	.467	—
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New York	22	20	.524	—
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Philadelphia	20	23	.465	1½
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Montreal	16	28	.361	11
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Florida	15	31	.326	16
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CENTRAL DIVISION

Team	W	L	Pct.	GB
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Houston	28	17	.622	—
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Chicago	27	18	.600	—
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Milwaukee	22	21	.523	4½
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St. Louis	23	23	.500	4½
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Cincinnati	20	24	.455	6½
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Pittsburgh	22	25	.468	7
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WEST DIVISION

Team	W	L	Pct.	GB
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San Diego	30	16	.652	—
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San Francisco	26	20	.565	4
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Los Angeles	21	24	.467	8½
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Colorado	19	27	.413	11
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Arizona	13	32	.289	16½
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WEDNESDAY LINESCORES

AMERICAN LEAGUE

Team	W	L	Pct.	GB
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Chicago	000	001	001	—
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Seattle	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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San Francisco	000	002	002	—
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Los Angeles	000	002	002	—
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San Diego	000	002	002	—
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NATIONAL LEAGUE

POSTCARD

Celtic Music Meets Pop

By Anthony DePalma
New York Times Service

VANCOUVER, British Columbia — "Newfoundland" rhymes with "understand," and no one does, at least not in the eyes of the people who live in what is surely one of the most isolated and eccentric places in North America.

To other Canadians, Newfoundlanders — with their penchant for munching cod tongues and living in places like Come by Chance — are fair game for cheap laughs and petty put-downs, a staple of television comedy.

Behind the funny facade and the brogue accents there is a quirky, durable island, usually called just The Rock. It's a tough place, especially since the cod disappeared a few years ago. Instead of silvery fish, now it's oil that is pulled from the sea.

But one aspect of Newfoundland life that has remained constant is the music, a traditional blend of folk songs and Celtic melodies. The pubs of St. John's, the capital, continue to produce fine groups, and none have had more success recently than Great Big Sea, a band that combines the traditional music of Newfoundland with a modern pop beat.

The band has had wide appeal. For the last three years it has been named "entertainer of the year" at Canada's East Coast Music Awards. Its first two major-label compact discs, "Up" and "Play," have each sold about 200,000 copies — huge amounts in Canada's comparatively small market.

On June 2, the group will release its first U.S. recording, "Rant and Roar," on Warner Brothers' Sire label. It will also tour coast to coast

in June, opening for Sinead O'Connor and the Irish group the Chieftains. It will play the Guinness Pleadh, a festival of Gaelic music in New York City, on June 13.

The four young men of the band, all from Newfoundland, play acoustical and traditional instruments, including the mandolin, the squeeze box (accordion), and the bodhran (a goatskin drum).

□

Alan Doyle, 28, the group's husky-voiced lead vocalist, described Great Big Sea as a 1990s contemporary band that plays traditional Newfoundland music. The sound is an offbeat mix of folk and pop music played in a rigorous style. Some of the recordings are new compositions that echo melodies of the old sea chanteys; about half are traditional tunes juiced with pop.

The songs on the Newfoundland recordings, which celebrate life on the sea, are as evocative of Newfoundland as were the Beach Boys of California.

And that, the lads agree, is their biggest challenge as they gear up for their U.S. tour.

"In our experience and in a lot of other Canadian artists' experience, Americans don't think of Canada as the place where really cutting-edge and exciting music happens," said Bob Hallett, 29, who plays the squeeze box.

Steven Savoca, who handles Great Big Sea for Sire Records in New York, said he expected it to be more difficult for the band to cross over into mainstream music in the United States than it was in Canada. But he added: "One thing about the band is that they sing timeless melodies. You need only hear them once, and they stick in your head."

Where's the Art? Where's the Adrenaline?

By Janet Maslin
New York Times Service

CANNES — Sundance grads, pedophiles and dogmatic Danes dominate the cinematic landscape here. And all around this uncharacteristically quiet town, tails drag. The combined effects of art and adrenaline have yet to kick in at this year's Cannes International Film Festival. And the event has only until Sunday's closing-night ceremonies to make its mark.

Though a few very good films — including "La Vie Revee des Anges" (The Dream Life of Angels) from a first-time French director, Erick Zonta; Hal Hartley's big, audacious "Henry Fool"; "The General," the best film in many years from John Boorman, about a rascally Irish thief; and Todd Solondz's poison-tipped "Happiness" — will manage to emerge from this year's

CANNES FILM FESTIVAL

lineup, it's the letdowns that prevail. Like Wednesday's cancellation of the gala screening of a restored "Touch of Evil" (over fiscal difficulties with Orson Welles's daughter), which prompted someone working on the event to wail "We're the Kurt and Courtney of Cannes!" That film was a sudden no-show earlier this year at the Sundance Film Festival.

At least there's an early winner in the New Carbo sweepstakes: Lars Von Trier, the director of "Breaking the Waves." Famously phobic, he enhanced that legend in 1996 by getting halfway here to introduce that film, then abandoning the trip. This year he successfully made the pilgrimage but skipped his own news conference, which was attended by the cast of his film, "The Idiots." Later in the week, he will hold forth at the exclusive and exorbitant Hotel du Cap d'Antibes, just the way Arnold Schwarzenegger and Sharon Stone do.

That's an interesting venue in light of Dogma 95, the attention-getting manifesto that for all its lofty principles plays like a press agent's dream. In this document, several Danish directors take a stylistic "vow of chastity," promising to return filmmaking to a purer style by eschewing weapons, special effects, soundtracks, conventional genres and even props and lighting.

Directorial credit is also forsworn, although the Dogma 95 group has indulged in a handsome color catalog for "The Idiots"

and large red envelopes that reprint the original statement. Here in Cannes, where Boy George just touched down to announce a new project, this qualifies as serious business.

And there are two films in competition exemplifying the raw, vertiginous style in question: "Festen" (The Celebration), from Thomas Vinterberg, and "The Idiots" itself, in which Von Trier imagines a collective of good-looking young provocateurs who pretend to be mentally handicapped as a way of challenging bourgeois attitudes. In addition to the preponderance of films involving sexual abuse of children (Vinterberg's, about a tumultuous family reunion, is one of them), skewering the bourgeoisie is Cannes's favorite on-screen sport this season. So is trying in shock: Hard-core sex figures briefly and inconspicuously in Von Trier's film.

Exactly what does "The Idiots" mean in communication? Well, in the filmmaker's printed statement: "In film it's the village idiot who knows, and the man who knows who doesn't know. But what if the idiot isn't a real idiot (i.e. just an idiotic idiot)? Does that make him the man who knows who knows less, or the idiot who knows more; or the idiot who knows less or the man who knows who knows more? Probably none of the above, but it's fun to pretend otherwise." Though the visual styles of both films can depart from and even eclipse their subjects, the Dogma affectations will be justly famous for their full 15 minutes this year.

Another film that has excited the interest of the European press is Nanni Moretti's "Aprile," though the filmmaker's charming complaints that he has nothing to make a film about are this time too easy to believe. (The subjects here, none too easily interwoven, are Italian politics and the birth of Moretti's son, who becomes an instant prop.)

By contrast, a tepid reception greeted Hartley's "Henry Fool," though this breakthrough film is the most energetic and far-reaching work he's done. Loosely known for clever, meticulous absurdism in Long Island settings, Hartley this time throws a couple of creative archetypes together in Queens and spins forth an archly hilarious comedy of art, commerce and friendship. Even audiences unmoved by earlier, more affectless Hartley films should be astonished by this one.

"Henry Fool" concerns a misfit garbage man named Simoo Grim (played by James Urbaniak, who as Hartley points out has "that early Sam Beckett look") and the character, a grandiose self-styled literary fig-



Brendan Gleeson, center, stars as a thief in John Boorman's "The General."

ure. It's about what happens when Henry persuades Simoo to start writing poetry, and when Simoo's (unseen) words start changing his little world (which is brightened considerably by Parker Posey, playing Simoo's slatternly sister).

The dynamics between mentor and protégé, between real artist and fraud, between real and perceived worth are elegantly explored here, as are Hartley's droll observations about publishing, politics, religion and other major matters that widen the film's range. Thomas Jay Ryan, who plays Henry, and Urbaniak are forceful, visually striking stage actors who make themselves perfect embodiments of the filmmaker's thoughts.

"Henry Fool" leads a U.S. contingent of deadpan independents whose presence is much in evidence this year. The chilly, uninflected style of Lodge Kerrigan ("Clean, Shaven") remains strong in "Claire Dolan," with Karin Cardidge (speaking in a flat, American accent) as a prostitute trying to

pay off a debt and change professions. Contrasting graphic sexual episodes with stiff, dispassionate dialogue, it won't help popularize a neo-Sundance esthetic on a global scale. On the other hand, there's a strain of U.S. indie subversion apparent even in French films like "Sitoem," by the darkly malevolent Francois Ozon (whose "See the Sea" was a highlight of the New Directors/New Films series this year). In this determinedly shocking comedy (which, like Solondz's "Happiness," is much too evilly funny for the main competition), a squeaky-clean family reaches new heights of the unspeakable when a laboratory rat casts a strange influence over their once-happy home.

Happily, this is the land where John Grisham's "Rainmaker" is called "L'Idéaliste" and a female character from the gonzo "Fear and Loathing in Las Vegas" is referred to as *la gonzesse*. But it remains to be seen how well this U.S. indie style of subversion really translates here.

PEOPLE

START spreading the news: The Big Apple is considering paying tribute to Frank Sinatra by making "New York, New York" the city's official song. The council speaker, Peter Vallone, said he would introduce legislation that would make the song the city's own. "Sinatra's great voice," he said, "will be heard by generations of New Yorkers as they listen with pride to their city's anthem."

A Paris civil court found the newspaper France-Soir guilty of defamation and invasion of privacy after it printed two articles alleging that the actor Robert De Niro was involved in a Paris prostitution ring. The daily was ordered to pay De Niro 80,000 francs (\$13,400) in damages. De Niro vowed never to set foot in France again after being taken in by the police in February for a nine-hour interrogation as a witness in an inquiry into a call-girl ring.

Tommy Lee was sentenced to six months in jail for kicking his wife, the actress Pamela Anderson of "Baywatch" fame, as she held their 7-week-old son. The Motley Crue drummer had pleaded no contest to felony spouse abuse.

The actress Carol Channing, 77, has filed for divorce from Charles Lowe, 86, saying that he had sex with her only twice during their 41-year marriage. She also said Lowe humiliated her in public, assaulted her and funneled off her earnings.

Mohamed al Fayed, whose son Dodi died alongside Diana, Princess of Wales, in a Paris car crash last year, is trying to buy the school that Diana attended as a young girl, a spokesman said. Al Fayed has offered £2.5 million (\$4 million) for

West Heath School in Sevenoaks, Kent, which closed last year through lack of funds. The Egyptian-born businessman plans to turn it into a school for traumatized children that would be a "living memorial" to Diana and Dodi.

The Liverpool home where Paul McCartney lived as a teenager before finding fame with the Beatles will be inaugurated in July as a museum. Visitors will be able to watch a television with programs of the 1950s, see family photos taken by McCartney himself, and even have a look at the outside loo.

Luciano Pavarotti has been cleared of allegations of tax evasion. Italian authorities had investigated to determine whether the tenor, who resides in Monte Carlo, failed to pay taxes on \$5.7 million in earnings over a two-year period.

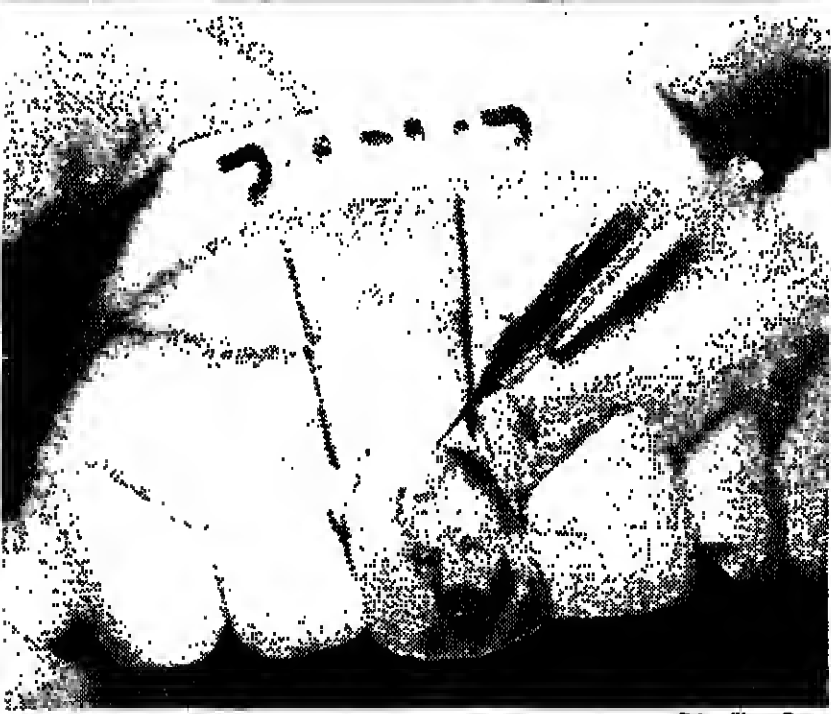
Antiquities Are Being Looted in Nigeria

New York Times Service

LAGOS — Antiquities valued at more than \$200 million have been stolen from Nigerian museums in the last five years, Nigeria's news agency reports.

Yaro Gella, director general of museums and monuments, said the sum represented the value of 95 works stolen in break-ins at six museums.

"This does not include objects that were looted from archaeological and historical sites," he said, "as well as individual and family holdings, whose market value over the years may run into billions of dollars." He accused unnamed members of the diplomatic corps of using their privileges to smuggle out artifacts.



AN ARTISTIC BITE — Jean Chauvot, a Paris dental technician, will paint teeth with a Van Gogh self-portrait for 300 to 1,000 francs.



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